

**COMMISSION OF INQUIRY
INTO
FRASER VALLEY
PETROLEUM EXPLORATION**

***Special Report
on Allegations of
Witness Tampering
at the
Commission Hearings***

DAVID ANDERSON
Commissioner

NOVEMBER 1990

VICTORIA
BRITISH COLUMBIA





Province of
British Columbia

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Fraser Valley
Petroleum Exploration

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91-01068/

16 November 1990

TO HIS HONOUR THE LIEUTENANT-GOVERNOR IN COUNCIL

MAY IT PLEASE YOUR HONOUR,

Under Your Honour's Order in Council no. 695, approved and ordered on 2 May 1990, the undersigned was appointed a Commissioner to inquire into and report on a number of issues relating to proposals to carry out exploratory drilling for natural gas in the Fraser Valley region of this Province.

In the course of this Inquiry matters have arisen which require me to provide Your Honour with a special report at this time.

This special report deals with such matters.

Respectfully submitted,

David Anderson, Commissioner.



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THE APPENDICES TO THIS REPORT ARE PROVIDED IN A SEPARATE DOCUMENT ENTITLED "APPENDICES TO THE SPECIAL REPORT ON ALLEGATIONS OF WITNESS TAMPERING AT THE COMMISSION HEARINGS".

Canadian Cataloguing in Publication Data

Commission of Inquiry into Fraser Valley Petroleum
Exploration (B.C.)

Special report on allegations of witness tampering
at the Commission hearings

Commissioner: David Anderson.

ISBN 0-7726-1225-0. -- ISBN 0-7726-1227-7
(appendices)

1. Commission of Inquiry into Fraser Valley
Petroleum Exploration (B.C.) 2. Fraser Valley
Gas Project. 3. Friends of the Fraser Valley.
4. Governmental investigations - British Columbia.
I. Anderson, David, 1937- . II. Title.

HD9574.C33B74 1990 354.711009'92 C91-092011-7

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SUMMARY

The Commission on Fraser Valley Petroleum Exploration was established to inquire into and report on matters concerning the exploration and development of natural gas and underground natural gas storage in the Fraser Valley. During the Commission's technical hearings, allegations were made that the consortium proposing exploratory drilling, the Fraser Valley Gas Project, pressured potential witnesses into withholding information of interest to this Commission, and that civil servants who testified before the Commission did not testify honestly and truthfully. These allegations were made by the group The Friends of the Fraser Valley.

The Commission took these allegations very seriously. The Friends of the Fraser Valley claim to represent some 500 residents, primarily in the Aldergrove/Langley area. It has played the lead role in opposing the proposals of the proponent consortium. It had been treated from the outset as a responsible and important element of the inquiry process. The Commission, at public expense, invited witnesses suggested by the group to the technical hearings, and had involved the group in determining the lines of questioning, as well as the wording of the questions, for the other technical witnesses. Further, the Commission, through its library, had made available information provided by the group to the public.

Were the allegations of the suborning of witnesses by the proponents true, criminal charges against officers of the Fraser Valley Gas Project and its component companies would have been possible. Under such circumstances further examination of the consortium's proposals by the Commission would be of doubtful utility.

Were the allegations that civil servants had not testified honestly before the Commission true, there would be very serious questions as to the integrity of the staff of the Ministry of Energy, Mines and Petroleum Resources and its ability to protect the public interest. Again, under such circumstances, any further inquiry by this Commission might be questionable.

Consequently, the Commission undertook an extensive seven week investigation in both Canada and the United States to determine whether the allegations had any basis in fact. The investigation of these allegations took longer than expected or necessary by reason of The Friends of the Fraser Valley's refusal to co-operate with the Commission.

The Commission found no reliable evidence that information of interest to it had been withheld, or that any civil servants who appeared at the technical hearings did not testify in a truthful and honest manner. The Commission concludes that the allegations of the Friends of the Fraser Valley are fabrications and without truth. No further action on these allegations is recommended.



**SPECIAL REPORT TO THE
LIEUTENANT-GOVERNOR IN COUNCIL**

David Anderson, Commissioner.

Commission of Inquiry into
Fraser Valley Petroleum Exploration

31 October 1990

Introduction.

The purpose of this document is to report on the findings of a special investigation by the Commission into allegations made by the group "Friends of the Fraser Valley" that the consortium proposing exploratory drilling, the Fraser Valley Gas Project, pressured potential witnesses into withholding information of interest to this Commission, and that civil servants who testified before the Commission at its technical hearings did not testify honestly and truthfully. These allegations were made by a spokesperson for the Friends of the Fraser Valley at a technical hearing of the Commission on 4 September 1990. They were contained in a press release of the same date, and were widely repeated by directors, officers, and spokespersons of the group, and by media in the Greater Vancouver and Fraser Valley area.

The Allegations.

The text of the press release in question will be found in the appendices. For the purposes of this report, the following quotations are of note on page two:

... we were able to make significant inquiries in Illinois, Washington, Michigan and Wyoming, but persons within the industry in those areas who talked to us or suggested further lines of investigation, have been contacted by the proponents and pressured and embarrassed into withdrawing their support.

Again, on page four:

Although our industry contacts in the United States have been silenced ...

The allegation that civil servants did not testify honestly before the Commission is found at the bottom of page two and continues on page three. It reads as follows:

... the Ministry regards itself as the handmaiden of the petroleum industry, whose principle objective is to advance the interests of the industry ...

and later on page three:

One has only to look at the schedule for the technical hearings to see a large contingent of industry experts and an equally large number of government bureaucrats that will between them bring a bias to the hearing. No government employee would risk his future by suggesting that any course of action other than that ordained by the party line be followed.

These are very serious allegations of wrongdoing. If true, they would in all probability lead to criminal charges of obstruction of justice, and criminal charges of perjury; if false, there is the possibility of charges of obstruction of justice, as well as private suits for defamation. Such criminal charges or private litigation are not, however, of direct concern to the Commission, and will not be commented on in this report other than as they affect the Commission's activities.

From the Commission's point of view these allegations cast serious doubt on whether the group of witnesses who were invited to testify and who did testify at the technical hearings of the Commission properly covered the issues of interest to the Commission. If the first allegation has substance, it will be necessary to reopen the technical hearings, to obtain the information that allegedly had been suppressed by activities of the proponents. If the second allegation has substance, it will be necessary to reject the testimony of one or more of the numerous civil servants from the governments of Canada, British Columbia, Alberta, Washington and Michigan who testified at the technical hearings of the Commission between 27 August 1990 and 6 September 1990.

It is also obvious that if the allegations have substance, I would find it very difficult to proceed with an inquiry into the exploratory drilling proposals until the question of the proponents' possible criminal activity had been looked into by the appropriate authorities. It would be bizarre indeed to continue with this inquiry into exploratory drilling when the proponents of that drilling were under investigation for criminal activity designed to mislead this very Commission. It would be even more bizarre to expect to have the subsequent regulation of any possible drilling conducted by the same civil servants who had committed perjury in an effort to improperly aid those proponents in obtaining permission to drill.

Clearly, these allegations called for a full investigation. Accordingly, following the termination of the technical hearings on 6 September 1990, Commission Counsel, Mr. Douglas MacAdams, and I devoted ourselves to investigating these charges.

Virtually all of the other work of the Commission had to be suspended during this seven week investigation. No work could be done which involved the possibly tainted testimony of the witnesses at the technical hearings, and thus no work could be done on preparing the final report of the inquiry until the matter was cleared up one way or another.

At the time of these charges the Friends of the Fraser Valley group was well known to the Commission. It was registered under the Society Act of BC on 24 July under the name "The Friends of the Fraser Valley Ecological Society". I had met with members of the group within a week of my appointment at the home of Dr. Margaret Ormston and Mr. Charles Maclean, Q.C., two of the five founding directors of the group, to discuss procedures that would be followed by the Commission. Members had taken part in the first information meeting of the Commission on 12 June 1990, and had attended most if not all of the nine public meetings during the following month. Members had attended the preparatory sessions with the witnesses for the technical hearings, and had suggested witnesses for those hearings, who incidentally had subsequently been invited to attend at Commission expense. Commission staff had been in frequent contact with representatives of the group throughout the summer. Finally, members of the group had attended most if not all of the thirteen sessions of the technical hearings prior to 4 September 1990. Thus the allegations were from a group which had participated from the start of this inquiry, whose involvement had been extensive, and which had been treated as an important element of the inquiry process. If any person or group had evidence to support such allegations, it likely would be the Friends of the Fraser Valley.

The Investigation.

The starting point for the investigation was to obtain evidence in support of the allegations from those who had made them. Accordingly, letters were sent by Commission Counsel to the person who represented the group at the 4 September 1990 technical hearing, Mrs. Gina Breaks. Later, similar requests were made of the Chairman of the organization and a founding director, Mr. Al Vickers. The full text of these letters are in the appendices to this document.

The first of these letters, dated 6 September 1990, asked that Mrs. Breaks provide a sworn statement indicating whether Walter Rzepczynski of Illinois was one of those persons that Mrs. Breaks had referred to as being pressured into silence.

The second letter, on 13 September 1990, repeated the request for information, and asked when Mrs. Breaks intended to reply.

The third, to Mr. Al Vickers, the Chairman of the group, dated 14 September 1990, asked for evidence substantiating the allegation of improper pressuring of potential witnesses in each of the four states specified in the press release of ten days before, namely Washington, Wyoming, Illinois and Michigan.

The fourth letter, dated 24 September 1990, asked Mr. Vickers for confirmation that an unsigned press release containing further allegations, not on letterhead but attributed to the group, was in fact a document of the group. A copy of the letter and of the press release of the same date will be found in the appendices.

The fifth letter, dated 26 September 1990, asked Mr. Glen Breaks (another active member of the group and the husband of Mrs. Gina Breaks) to confirm that Mr. Walter Rzepczynski was in fact the person referred to by the group as a source who had been silenced by pressure from the proponents. This letter was essentially a repeat of the request in the earlier two letters to his wife.

None of these letters and requests were replied to, although a letter dated 18 October 1990 addressed to me was received from Mr. Breaks, and a letter from Mr. Al Vickers addressed to me was left on a chair immediately prior to the inquiry hearing of 22 October 1990. Neither provided the material requested in the letters described above. Copies of these two letters are in the appendices to this report.

The Commission undertook various telephone inquiries within the United States, none of which came up with information supporting the allegations regarding potential witnesses in the four named states, namely Wyoming, Illinois, Michigan and Washington, or indeed in any other jurisdiction. In addition, a press release was sent out to media in Greater Vancouver and the Fraser Valley on 21 September 1990, asking those with information to contact the Commission. Later, on 5 October 1990, a letter went out to some 550 people on the Commission's mailing list, asking for any information that might be available on the issue. Many people replied, but none provided any leads in support of the allegations. Copies of the press release and the outgoing Commission letter will be found in the appendices to this report. Also, as a continuation of this effort to gather whatever evidence there might be, in early October Commission Counsel accompanied me on a visit to Illinois and Missouri, and in addition, Indiana and Kentucky. He spoke to Mr. Walter Rzepczynski and Mr. Howard Griffith, both of whom provided him with sworn statutory declarations for the purposes of this investigation.

Finally the Commission held a special hearing in Delta at 7 PM on 22 October 1990. The meeting was advertised widely in Greater Vancouver and in the Fraser Valley in the previous week. Those with information that potential witnesses were pressured, and that false testimony by civil servants had been uttered, were requested to attend and testify. No person with such evidence came forward.

However, those who wished to clear their good name of the suspicions that the allegations had aroused did attend. Eight persons testified. Some eighteen sworn statutory declarations of others were also accepted by the Commission during that

hearing. All denied any impropriety, and denied that they had any involvement in the activities alleged. A list of those who testified as well as those who provided sworn statutory declarations will be found in the appendices. The sworn statutory declarations themselves, and a transcript of the testimony of the 22 October 1990 hearing, are available in the Commission offices.

The Rzepczynski - Griffith Issue.

In the paragraphs above the names of Mr. Walter Rzepczynski, an employee of the Natural Gas Pipeline Company of America, and Mr. Howard Griffith, the President of TXG Engineering, Inc., have been mentioned. It has also been mentioned that Commission Counsel MacAdams repeatedly requested the Friends of the Fraser Valley to confirm by sworn statutory declaration that the former was one of the people pressured or embarrassed into silence by the proponents.

The reason for this interest in Mr. Rzepczynski and Mr. Griffith stemmed from communications from the group mentioned above, which seemed to suggest these two persons. In addition, when Mrs. Breaks made her allegations of improper influence at a technical hearing of the Commission on 4 September 1990, Mr. Griffith was present in the room, sitting at the witness table. Mrs. Breaks gestured in his direction, indicating that he was the person or among those persons that she had in mind.

As an attachment to his letter of 6 September 1990 to the spokesperson for the group, Commission Counsel had included copies of correspondence between Mr. Griffith and Mr. Rzepczynski. The communication from Mr. Griffith to Mr. Rzepczynski was by telephone on 13 August 1990. He informed Mr. Rzepczynski of a "technical paper" by Mr. Breaks, purporting to reflect the views of Mr. Rzepczynski, and expressed surprise at their tone and content. Mr. Rzepczynski made clear in his reply to Mr. Griffith of 29 August 1990 that in his view the report of Mr. Breaks of the Rzepczynski - Breaks telephone conversations were inaccurate, and mischaracterized what he had said.

The Rzepczynski - Griffith contact was the only example the Commission had of a possible source of information being influenced by a person with connections to the Fraser Valley Gas Project consortium. Further, the Friends of the Fraser Valley had indicated--without saying so directly--that this was an example of the alleged cases from Illinois, Washington, Michigan and Wyoming of the proponents improperly pressuring witnesses. With no other leads, the Commission concentrated on this.

I have examined the sworn statutory declarations of Walter Rzepczynski and Howard Griffith with care, and I have examined all the other available material on this matter, including the letter of Mr. Glen Breaks to me of 18 October 1990, his letter to the press of the same date, and Mr. Al Vickers' letter to me of 22 October 1990. These sworn statutory declarations and the letters may be found in the appendices to this report.

In his sworn statutory declaration, Mr. Rzepczynski states:

19. I was surprised and angry about the information in Exhibit 3¹. It was clear to me Mr. Breaks had misunderstood or had chosen to mischaracterize what I had told him. I was concerned about the inaccurate information contained in Exhibit 3. I could not understand how Mr. Breaks could write such words based on my conversations with him. Nor could I understand how he could write such words based on my paper Exhibit 1, the contents of which Mr. Breaks at no time discussed with me.

20. I wanted to set the record straight. I considered the matter to be so serious that I asked for the assistance of Neil Maloney, who is an attorney with Natural Gas Pipeline Company of America. I asked for Mr. Maloney's help because I felt I was being badly treated by Mr. Breaks and I wanted to do the right thing to set the record straight. Neither before nor after I consulted with Mr. Maloney have I felt my job or my position with Natural Gas Pipeline Company of America to be in any danger.

21. I wrote the letter dated August 29, 1990 and addressed to Howard Griffith, which letter is now shown to me and marked Exhibit 4² to this my statutory declaration. I wrote that letter on my own. I wrote it with great care. Except for some minor improvements and corrections suggested by Mr. Maloney, the whole of the letter was prepared by me. I have reviewed Exhibit 4 several time since writing it. Everything in the letter is true. In the letter I wished particularly to emphasize that my draft paper Exhibit 1 does not indicate any negative comments about aquifer storage of natural gas, and to emphasize that to say otherwise of my draft paper Exhibit 1 or of my views generally is to mischaracterize my paper and my views.

22. No communication received by me prior to my writing my letter Exhibit 4 caused me to change my views about natural gas storage in any way. No communication received by me prior to August 29 caused me to feel under any pressure from those connected with the natural gas

¹ Mr. Breaks' "technical paper".

² Mr. Rzepczynski's 29 August 1990 letter denying the accuracy of the "technical paper".

storage industry. No communication embarrassed me into changing my views. I have not been silenced by reason of any communication, nor have I felt tampered with by any communication. No communication received by me could be called heavy handed, nor could any communication be called a suppression technique. Nor have I received any communication since August 29, 1990 which has caused me to change my views.

23. I am pleased Howard Griffith called me, and I consider that he did me a favor in calling. He was fair to me and he did the right thing. If he had not called, I might never have learned that Mr. Breaks was misrepresenting my views.

24. I have been embarrassed by what Mr. Breaks has apparently attributed to me. I have been embarrassed because he took advantage of my generosity and honesty and naiveness with him. For his purposes and to his advantage, Mr. Breaks has misrepresented and misconstrued what I have said and written. I have had to ask myself what kind of person is Mr. Breaks that he would take the stature and integrity I have tried to develop in my 35 years in the natural gas storage industry and use it in a wrong manner without telling me what he was doing. Mr. Breaks has not been fair with me and he has not done the right thing by me.

Conclusions.

As mentioned above, the allegations of impropriety were taken very seriously by the Commission. The failure of the officers of the Friends of the Fraser Valley to follow up their allegations in a responsible manner with sworn statutory declarations outlining why they had come to the conclusions that they had and why they had made the allegations that they had, made the further inquiry by the Commission difficult. However the inquiry carried out was extensive and thorough. Definite conclusions are now possible. In my opinion no further purpose would be served by continuing to devote time and public money to further investigation, and I am therefore reporting to you on this matter at this time.

My conclusions are as follows:

- a) There is no reliable evidence whatsoever to suggest that any potential witness or source of information in Washington was pressured or embarrassed by the proponents into remaining silent.

- b) There is no reliable evidence whatsoever to suggest that any potential witness or source of information in Michigan was pressured or embarrassed by the proponents into remaining silent.
- c) There is no reliable evidence whatsoever to suggest that any potential witness or source of information in Wyoming was pressured or embarrassed by the proponents into remaining silent.
- d) There is no reliable evidence whatsoever to suggest that any potential witness or source of information in Illinois was pressured or embarrassed by the proponents into remaining silent.
- e) There is no reliable evidence whatsoever to suggest that any potential witness or source of information in any jurisdiction not mentioned in the four paragraphs above was pressured or embarrassed by the proponents into remaining silent.
- f) There is no reliable evidence whatsoever to suggest that any public official from British Columbia did not testify at the technical hearings of the Commission in a truthful, honest and forthright manner.
- g) There is no reliable evidence whatsoever to suggest that any public official from Alberta did not testify at the technical hearings of the Commission in a truthful, honest and forthright manner.
- h) There is no reliable evidence whatsoever to suggest that any public official from Michigan did not testify at the technical hearings of the Commission in a truthful, honest and forthright manner.
- i) There is no reliable evidence whatsoever to suggest that any public official from Washington did not testify at the technical hearings of the Commission in a truthful, honest and forthright manner.
- j) There is no reliable evidence whatsoever to suggest that any public official of the government of Canada did not testify at the technical hearings of the Commission in a truthful, honest and forthright manner.
- k) There is no reliable evidence whatsoever to suggest that any other witness who testified at the technical hearings of the Commission did not do so in a truthful, honest and forthright manner.
- l) There is no reliable evidence whatsoever that the proponent companies, Dynamic Oil, Conoco Canada, and B.C. Gas, have acted in any way but correctly in their dealings with this Commission.

With respect to the Rzepczynski matter, I note that both Mr. Rzepczynski and Mr. Griffith have provided sworn statutory declarations on the matters in dispute, while spokespersons, officers, and directors of the Friends of the Fraser Valley have failed to respond to repeated requests over the past six weeks that their allegations, and information regarding evidence in support of those allegations, be provided by way of sworn statutory declaration. In this connection I note that Mr. Charles Maclean, Q.C., of the bar of British Columbia is listed in documents filed with the Ministry of Finance dated 14 June 1990 as one of five founding directors of the Friends of the Fraser Valley Ecological Society. I therefore conclude that quite independent of the Commission and its counsel, legal advice was available to the Friends of the Fraser Valley on the significance of such information being properly sworn.

Were this Commission subject to the usual rules of evidence of the courts, there would be little question that in areas of dispute between the sworn statutory declarations of Mr. Griffith and Mr. Rzepczynski and the statements of the directors, officers, and spokespersons for the Friends of the Fraser Valley, the former sworn testimony would be accepted and the latter unsworn allegations would be rejected. However, even without relying on rules of evidence, the totality of the evidence provided to me in the course of the Commission's investigation is overwhelmingly to the same effect. I must therefore conclude:

- m) That in areas where the evidence of Mr. Rzepczynski and Mr. Griffith conflict with that of Mr. Al Vickers, Mr. and Mrs. Breaks, and the other documents or statements provided by the Friends of the Fraser Valley, the evidence of Mr. Rzepczynski and Mr. Griffith is to be accepted as reliable, and the evidence of the Friends of the Fraser Valley, its officers, directors, and spokespersons, is to be rejected as unreliable.

Unfortunately, the Rzepczynski matter does not end there. Mr. Rzepczynski has asked that his name be cleared, and I believe that this province owes it to him to set the record straight. It is also important to future Commissions under the Inquiry Act that I comment further on this issue. Those who offer relevant information and opinions to public inquiries and Commissions should have confidence that they will be protected against irresponsible and defamatory statements. In this connection the remarks in Winnipeg of Supreme Court of Canada Justice John Sopinka on 24 August 1990 are eloquent and compelling. He said:

... the damage to personal reputation and the loss of privacy that may result from any inquiry, even if that inquiry absolves the individual of blame is immense.

Personal reputation is for many as cherished a commodity as any; for it to be shattered by a flurry of unsubstantiated accusations is a senseless and cruel waste ...

Mr. Justice Sopinka's words suggest that there is a duty on me as Commissioner of this inquiry to protect vigorously the good name of persons unjustly attacked in the course of this Commission.

The Friends of the Fraser Valley have repeatedly referred to Mr. Rzepczynski and Mr. Griffith when discussing the silencing of potential witnesses. These comments have continued over many weeks despite the spokespersons for the Friends being aware of the categorical denials of Mr. Rzepczynski and Mr. Griffith.

I have therefore further concluded:

- n) That there is no evidence whatsoever for a reasonable person to believe that Mr. Walter Rzepczynski was pressured into silence on matters of interest to this Commission.
- o) That there is no evidence whatsoever for a reasonable person to believe that Mr. Howard Griffith exerted any pressure with a view to silencing any person on matters of interest to this Commission.
- p) That the views on exploratory drilling and underground natural gas storage attributed to Mr. Rzepczynski in Mr. Break's "technical paper" are fabrications.
- q) That Mr. Rzepczynski's views on exploratory drilling and natural gas storage are as set out in his sworn statutory declaration of 8 October 1990.
- r) That the spokespersons, officers, and directors of the Friends of the Fraser Valley knew or should have known that the allegations made in the name of their organization regarding Mr. Griffith and Mr. Rzepczynski were without any truth whatsoever.
- s) That the spokespersons, officers, and directors of the Friends of the Fraser Valley knew or should have known that the allegations made in the name of their organization regarding witnesses being silenced by the proponents in the state of Washington, Illinois, Wyoming and Michigan were without any truth whatsoever.
- t) That the spokespersons, officers, and directors of the Friends of the Fraser Valley knew or should have known that the allegations made in the name of their organization regarding untruthful testimony given by public officials were without any truth whatsoever.

Further Action.

This investigation has been thorough and has found nothing to support the allegations that have been made. From the point of view of this Commission, nothing would be gained by further action on this matter.

The purpose of this Commission is to fairly and impartially examine the issues covered by its terms of reference. The time available to complete its task is short. Further examination of allegations, or action against those who have made these allegations, no matter how improper their behavior, could only have the effect of further delaying the Commission's report.

Final Note.

In the paragraphs above I have mentioned the behavior of the spokespersons, officers, and directors of the Friends of the Fraser Valley, and I have made no comment about the general membership. I know little about the organization of the group, but having been in touch with many of its members over the past few months, I am aware that the vast majority of members joined by reason of their legitimate concern over the prospect of exploratory drilling and underground natural gas storage in the Valley. I have no information to indicate that these people had any part in the untruthful statements and regrettable behavior of the group's spokespersons, directors, and officers.

No doubt in due course those members who do not condone the tactics of the leadership will make their views known. In the meantime, I wish to note that the issues commented on above are not related to the substance of the Commission's work. Issues and concerns over exploratory drilling and natural gas storage identified at the public meetings were not linked to a particular organization, but were listed simply as public concerns. It is the Commission's intention to deal with those issues and concerns in the future in the same manner as it has in the past, without regard for source. The behavior of the spokespersons, officers, and directors of the Friends of the Fraser Valley discussed above is unrelated to the substance of the work of this Commission, and will have no effect on it.

DESCRIPTION OF APPENDICES

- 1 Friends of the Fraser Valley News Release, 4 September 1990.
- 2 Letter from Commission Counsel to Mrs. Gina Breaks, 6 September 1990.
- 3 Letter from Commission Counsel to Mrs. Gina Breaks, 13 September 1990.
- 4 Letter from Commission Counsel to the attention of Mr. Al Vickers, Chairman of the Friends of the Fraser Valley, 14 September 1990.
- 5 Letter from Commission Counsel to the attention of Mr. Al Vickers, Chairman of the Friends of the Fraser Valley, 24 September 1990.
- 6 Letter from Commission Counsel to Mr. Glen Breaks, 26 September 1990.
- 7 Letter from Mr. Glen Breaks to Commissioner David Anderson, 18 October 1990.
- 8 Open letter from Mr. Al Vickers, Chairman of the Friends of the Fraser Valley, to Commissioner David Anderson, 22 October 1990.
- 9 Press Release from Commissioner David Anderson, 21 September 1990.
- 10 Letter from Commissioner David Anderson to individuals on the Commission's mailing list, 5 October 1990.
- 11 List of witnesses who testified at the special Commission hearing of 22 October 1990.
- 12 List of statutory declarations received at the special Commission hearing of 22 October 1990.
- 13 Statutory Declaration of Mr. Walter Rzepczynski, recieved at the special Commission hearing of 22 October 1990.
- 14 Statutory Declaration of Mr. Howard D. Griffith, received at the special Commission hearing of 22 October 1990.

THESE APPENDICES ARE PROVIDED IN THE DOCUMENT ENTITLED "APPENDICES TO THE SPECIAL REPORT ON ALLEGATIONS OF WITNESS TAMPERING AT THE COMMISSION HEARINGS".





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APPENDIX 1

**FRIENDS
OF THE
FRASER VALLEY
NEWS RELEASE**

4 SEPTEMBER 1990



Friends of the Fraser Valley

NEWS RELEASE

SEPTEMBER 4, 1990

Mr. Commissioner, on behalf of the Friends of the Fraser Valley, I rise on a point of order and information.

We object to the process of this Commission on the following grounds:

In our initial discussion with you, we raised concerns about our lack of legal counsel and adequate funds to meet the limitless resources of the gas and oil companies. We were assured by you that proponents and opponents would be treated equally in that Commission counsel would, throughout the technical hearings, ask all questions and should interveners wish to ask questions, they were to be submitted in written form for consideration by Commission counsel and put to the witness by him if relevant. There was no mention of the preparatory sessions and we were not aware that such were to be held until July 9th, and were not aware of their significance until they were well underway.

It became obvious that the Commission counsel's line of questioning was being established during the preparatory sessions and that his inquiries were influenced by the presence of proponents and opponents, who, except in one case, were allowed equal access to witnesses, with however the startling inequity of the proponents being invariably represented by legal counsel, sometimes three in number, while the opponents had no legal counsel whatsoever, despite having been earlier assured by you that such would be unnecessary.

There is no doubt that we would have been well served by way of more effective questioning during that phase had we been encouraged to acquire legal counsel. On one occasion during the preparatory sessions we were put in the invidious position of having

to write out our questions while the proponents were able to use oral communication with your counsel, and on occasion with the proposed witnesses. Counsel for the proponents was deliberately inflammatory and insulting to a member of The Friends of the Fraser Valley on one occasion and on another made grossly inaccurate statements about the origin and content of a document, which counsel thought was in the hands of the Commission but which had in fact been passed to B.C. Gas by the British Columbia Utilities Commission.

The fact that the counsel to the Commission has attended only two of the nine public meetings has resulted in his being ill informed about the concerns raised by the public and the particular topics that were requested to be dealt with in the technical hearings. We were informed by Commission counsel, after the preparatory sessions, that in his opinion the evidence accumulated up to that point and which was to be presented at the technical hearings indicated that the petroleum industry's project could be safely carried out in the Fraser Valley, raising a very strong apprehension of obvious bias. This has been evident at the technical hearings that we have been able to attend, which more resembled a public relations exercise than any honest enquiry.

The procedure which the Commission adopted, compelling us to full disclosure of our information prior to the hearing has placed us in a very disadvantageous position. Despite our limited funds and despite the limited time at our disposal (as most of us are involved in full time occupations) we were able to make significant inquiries in Illinois, Washington, Michigan and Wyoming, but persons within the industry in those areas who talked to us or suggested further lines of investigation, have been contacted by the proponents and pressured and embarrassed into withdrawing their support.

The evidence of the Ministry of Energy, Mines and Petroleum Resources, the self-proclaimed protector of the public interest, has clearly shown that the Ministry regards itself as the handmaiden of the petroleum industry, whose principle objective is

Friends of the Fraser Valley, (A non-political group of concerned citizens)

260 - 256th Street, Aldergrove, B.C. V0X 1A0

to advance the interests of the industry. This philosophy is demonstrated by the Ministry's admitted total absence of planning for the various possibilities that could result from a gas storage programme. This suggests either complicity, negligence, or deception by the gas companies, all of which should have been rigorously pursued by Commission counsel, rather than the lame and ineffectual cross examination we witnessed last week. Either the Ministry knew of the true intentions of B.C. Gas and its associates, in which case it is guilty of negligence and also complicity in deceiving the public, or it was itself deceived by the gas companies, in which case it was the victim of a deliberate fraud by the very people who seek your approval of the scheme they have concocted.

During the early discussions on the procedures the Commission was to follow, we were assured that all aspects of the problems raised in the public meetings would be investigated by the Commission, and that persons from outside the influence of the industry would be sought and subpoenaed if necessary. One has only to look at the schedule for the technical hearings to see a large contingent of industry experts and an equally large number of government bureaucrats that will between them bring a bias to the hearing. No government employee would risk his future by suggesting that any course of action other than that ordained by the party line be followed. What is unforgivable is that the Commission appears to have made no attempt to go beyond that party line.

We asked you Mr. Commissioner, to visit Illinois where there are several well known problem underground gas storage fields. Chicago and environs seemed to have no appeal, but a visit to Paris, France was made, which has fewer storage areas than a single company in Illinois. France has a known reputation for technical secrecy, but doubtless more attractions.

Friends of the Fraser Valley, (A non-political group of concerned citizens)

260 - 256th Street, Aldergrove, B.C. V0X 1A0

We sent you a letter dated the 8th of August 1990, directing your attention to a number of issues raised in the public meetings but not scheduled to be dealt with in the technical hearings. The issues covered such topics as real estate values, insurability, air quality and health concerns. These issues have been ignored and do not form a part of these proceedings.

During our initial conversations with you we were assured that you would accept information from all sources, even anonymous telephone calls. Although our industry contacts in the United States have been silenced, we were able to find a lay person from outside the industry with very relevant information and experience. However, we were informed by Commission counsel that evidence could be given by this person on one particular topic only, made subject to obligatory cross examination by industry counsel, and that all other information that this person would be able to give would be repetitive and would be better dealt with by other witnesses. This is an extraordinary statement when one has observed the well-rehearsed, note-perfect and virtually identical renditions of the singular Mr. Ball, and Messrs. Tek, Griffeth and Thrasher.

Mr. Anderson, we will no longer acquiesce in nor condone this bizarre process you call a Commission of Enquiry which has taken on the appearance of a well planned whitewash. It has the apparent intention of deceiving the general public into believing that a full and proper inquiry has been made into a dangerous and unprecedented proposal, which can only be implemented at the expense of public safety, groundwater, agricultural land and lifestyle in the Fraser Valley. We have so far taken part in this Commission in good faith, relying on your assurances of fair play, but the reality is so far removed from those assurances that we will no longer play any role in your farce.

We invite members of the public present at this hearing to join us in boycotting this and all future meetings of this Commission as a sign of our determination not be a party to this whitewash.

Friends of the Fraser Valley, (A non-political group of concerned citizens)

260 - 256th Street, Aldergrove, B.C. V0X 1A0

APPENDIX 2

**LETTER FROM
COMMISSION COUNSEL
TO
MRS. GINA BREAKS**

6 SEPTEMBER 1990



MACADAMS LAW FIRM

PLEASE NOTE NEW ADDRESS EFFECTIVE JUNE 11, 1990

DOUGLAS MACADAMS
BARRISTER AND SOLICITOR

205 GLADWIN CENTRE II
2975 GLADWIN ROAD
ABBOTSFORD, B.C.
CANADA V2S 6W8

OUR FILE # 525-4
YOUR FILE #

TELEPHONE: (604) 850-1675
TELECOPIER: (604) 850-1937

September 6, 1990

DELIVERED BY: Hand Delivery

Mrs. Gina Breaks,
157 248th Street, R.R. #10,
Aldergrove, British Columbia, V0X 1A0

Dear Mrs. Breaks,

RE: *Information for Commission of Inquiry*

At the outset of the Commission's evening hearing on September 4, 1990 you asked for and were accorded opportunity of making an unsworn statement. We understand that the statement you made was essentially identical to the text of the *Friends of the Fraser Valley News Release* of the same date, copy of which is enclosed.

A number of allegations were contained in the statement you made. One of particular concern to us is found in the second paragraph of page 4 where these words occur:

...our industry contacts in the United States have been
silenced....

For the Commission to protect its integrity and credibility and the integrity and credibility of other Commissions which are now underway or may in the future be established, we must inquire into your assertions that a person or persons with relevant information have been silenced. In order to carry out such inquiries, it is necessary to know the name of the person or persons you say have been silenced.

From information provided to the Commission by Friends of the Fraser Valley and in particular from information provided by your spouse, Glen Breaks, we understand a person in the natural gas storage industry in the United States with whom your organization has had contact is Walter Rzepczynski of Midcon Corporation in Illinois.

MACADAMS LAW FIRM

Mrs. Gina Breaks,
Page 2
September 6, 1990

The Commission at this time requests from you an answer under oath to these two questions:

1. in the *News Release* and in your presentation of September 4, 1990 did you refer to one industry contact in the United States as having been silenced, or did you refer to more than one industry contact as having been silenced?
2. was Walter Rzepczynski the industry contact or one of the industry contacts referred to in the *News Release* and in your presentation of September 4, 1990?

Enclosed are two statutory declarations for your consideration. The one has been drawn on the assumption that Mr. Rzepczynski is the only industry contact you referred to; the second has been drawn on the assumption that Mr. Rzepczynski is one of more than one industry contact referred to by you. Please review these statutory declarations. If one of them sets out accurately the responses to the two questions which the Commission requests you to answer under oath, please return the appropriate statutory declaration in sworn form to the Commission office in Langley, preferably this week or early in the week of September 10. If a statutory declaration in different terms is required to enable you to respond to the two questions, please have a statutory declaration drawn in appropriate terms, or advise us of the information which ought to be included in a statutory declaration in order that we might prepare a further statutory declaration for your review.

In responding to the Commission's request, you may wish to review these documents, copies of which are attached:

- (a) letter August 15, 1990 Russell & Dumoulin (C.B. Johnson) to Walter Rzepczynski;
- (b) letter August 29, 1990 Walter Rzepczynski to Howard Griffith.
- (c) letter August 29, 1990 TXG Engineering, Inc. (Howard W. Griffith) to C.B. Johnson;

In a telephone conversation MacAdams/Rzepczynski of September 5, 1990, Mr. Rzepczynski advised his August 29, 1990 letter could be released to Mr. Glen Breaks. We have taken the liberty of assuming Mr. Rzepczynski will have no objection to release of this letter to you and would appreciate your making a copy of it available to your husband.

MACADAMS LAW FIRM

Mrs. Gina Breaks,
Page 3
September 6, 1990

In that same telephone conversation Mr. Rzepczynski has confirmed that his August 29, 1990 letter sets out views he has consistently and continuously held.

We look forward to your response to the request of the Commission.

Yours sincerely,

MACADAMS LAW FIRM
Per:

Douglas MacAdams

enclose: statutory declaration #1; statutory declaration #2

copy: Commission files; C.B. Johnson; Walter Rzepczynski

DM/lr/525-4/mmlt906a.doc

Friends of the Fraser Valley

NEWS RELEASE

SEPTEMBER 4, 1990

Mr. Commissioner, on behalf of the Friends of the Fraser Valley, I rise on a point of order and information.

We object to the process of this Commission on the following grounds:

In our initial discussion with you, we raised concerns about our lack of legal counsel and adequate funds to meet the limitless resources of the gas and oil companies. We were assured by you that proponents and opponents would be treated equally in that Commission counsel would, throughout the technical hearings, ask all questions and should interveners wish to ask questions, they were to be submitted in written form for consideration by Commission counsel and put to the witness by him if relevant. There was no mention of the preparatory sessions and we were not aware that such were to be held until July 9th, and were not aware of their significance until they were well underway.

It became obvious that the Commission counsel's line of questioning was being established during the preparatory sessions and that his inquiries were influenced by the presence of proponents and opponents, who, except in one case, were allowed equal access to witnesses, with however the startling inequity of the proponents being invariably represented by legal counsel, sometimes three in number, while the opponents had no legal counsel whatsoever, despite having been earlier assured by you that such would be unnecessary.

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CANADA

PROVINCE OF

BRITISH COLUMBIA

In the Matter of

Inquiry Act

RSBC 1979 Chapter 198

STATUTORY DECLARATION

I, Gina Breaks, householder of 157 248th Street, R.R. #10, Aldergrove, British Columbia, do solemnly declare that the facts set out in this statutory declaration are true, and I make this solemn declaration conscientiously believing it to be true and knowing that it is of the same legal force and effect as if made under oath.

1. I am a member of Friends of the Fraser Valley, a non-political group of concerned citizens which has concerned itself with matters referred by way of order in council 695/90 to David Anderson, a commissioner appointed pursuant to Inquiry Act.
2. On September 4, 1990 at the outset of the evening technical hearing before Commissioner Anderson I rose on behalf of the Friends of the Fraser Valley and made a presentation in which I gave to the Commissioner and to the members of the public and of the media who were present the information set out in the three page document dated September 4, 1990 and titled "Friends of the Fraser Valley News Release", copy of which document is now shown to me and marked Exhibit A to this my statutory declaration.

.....2

Statutory Declaration #1

3. During my presentation I made the statement set out at in the second paragraph of page 4 of Exhibit A that:

"...our industry contacts in the United States have been silenced...."

and in my presentation I elaborated on that statement.

4. In referring to industry contacts in the United States, I was in fact referring to one person only, namely Walter Rzepczynski, a resident of the state of Illinois who is an expert in the underground storage of natural gas.

Declared before me
in the
in the Province of British Columbia
this
day of _____, 1990

A Commissioner for the taking of
Affidavits within British Columbia

Gina Breaks

CANADA
PROVINCE OF
BRITISH COLUMBIA

In the Matter of
Inquiry Act
RSBC 1979 Chapter 198

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and in my presentation I elaborated on that statement.

4. In referring to industry contacts in the United States, I was in fact referring to more than one person, one of whom was Walter Rzepczynski, a resident of the state of Illinois who is an expert in the underground storage of natural gas.

Declared before me
in the
in the Province of British Columbia
this
day of , 1990

A Commissioner for the taking of
Affidavits within British Columbia

Gina Breaks

RUSSELL & DUMOULIN

BARRISTERS & SOLICITORS - PATENT & TRADE MARK AGENTS

File No. BCG 8747

Direct Line: 631-3130

August 15, 1990

VIA FAX

Walter Rzepczynski
Midcon Corp.
701 East 22nd Street
P.O. Box 1269
Lombard, Illinois
U.S.A. 60148

Dear Mr. Rzepczynski:

Re: The Fraser Valley Gas Project

We are the lawyers for The Fraser Valley Gas Project. The Fraser Valley Gas Project is a consortium of BC Gas Inc., Conoco Canada Ltd. and Dynamic Oil Ltd. The Fraser Valley Gas Project proposes to conduct exploration drilling in the delta of the Fraser River. BC Gas is interested in developing underground natural gas storage if a suitable geological formation is found.

A Commission of Inquiry has been established by the provincial government to inquire into and report on all matters concerning exploration for and development of petroleum, natural gas or natural gas storage in the Fraser Valley.

An organization called The Friends of the Fraser Valley opposes the proposed drilling program and opposes development of underground natural gas storage in the Fraser Valley. Mr. Glen Breaks, a member of The Friends of the Fraser Valley, has advised the Commission that he has contacted you. Mr. Breaks has provided to the Commission of Inquiry a document in which he attributes quotations to you. The document has also been provided to the British Columbia Utilities Commission by Mr. Breaks. The British Columbia Utilities Commission is the administrative body which regulates utilities in the province including BC Gas Inc.

Attached are the first two pages of the document distributed by Mr. Breaks. These two pages contain the quotations attributed to you.

1500
885 W GEORGIA
VANCOUVER
BRITISH COLUMBIA
CANADA V6C 3H7
FAX
16041631-3100
TELEPHONE
16041685-6000

REPRESENTED IN
HONG KONG

I understand from Howard Griffiths, a consultant to BC Gas Inc., that you dispute the accuracy of quotations attributed to you. The attached document has been made public by Mr. Breaks. If the quotations are not refuted by you then the incorrect statements will remain as part of the public record.

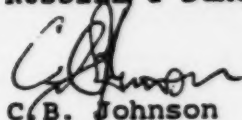
We request that you write to us advising if you made the statements to Mr. Breaks that he attributes to you. If you did not, but made a statement relating to the same subject matter, would you please advise what was said.

Would you also advise if you are aware of any details of the proposal for underground natural gas storage in the Fraser Valley.

I will be pleased to discuss this matter with you if you have any questions.

Yours very truly,

RUSSELL & DuMOULIN



C.B. Johnson

CBJ:ve

Encl.

The text Natural Gas Engineering Production and Storage by D.Katz and Robert Lee is the last book by Dr. Katz who died in 1989.

Dr. Katz was coauthor of 250 papers & several books & received 17 national honors and awards including the national medal of Science from President Reagan in 1983.

P. 16,569,570 571 574,585,586,587,589

-TRAPPING MECHANISM.-

In the B.C. GAS presentation an anticline with a closure nearly as high as its' diameter was shown (usually several miles) with a single well at its' crest. The gas pool trapped below was flat on the bottom and a great distance up from the saddle or spillpoint.

In reality this closure might commonly be only 70 or 75' in total, with as many as 40 or 50 1/2" wells and 10 or 20 obs. wells.

In addition the gas pool looks nothing like the one shown by B.C. Gas. Explain 'Gas Fingering' and monitoring difficulties.

The author of Aquifer Storage Development is Walter Repcinsky who has coauthored work with Dr. Katz. Walter is recognized all over the U.S. as a leading expert in the field of Aquifer Storage. Tom Bahumian, a geologist with the F.E.R.C. in Wash. D.C. specializing in storage, told me that Walter knows more than anyone else in the U.S. about aquifer storage. In actual fact there are only a handful of experts in this industry.

Walter said he is currently in charge of operation of 11 aquifer storage projects in Ill. He told me that his company has had to abandon two such facilities due to high leakage. He said he knew of many others who had built aquifer storage and later wished they never had, for just the same reason-high leakage. It is definitely not a sure thing, he told me, regardless of how much testing is done. You don't know if the field will be successful until after 3 to 4 years of actual operation, or until full pressure and full volume and thereby full investment is reached. K-3 K-4

Imagine the cost to the consumers in this instance. Instead of the purported savings of 15%, we see considerable rate hikes to cover such losses. Remember in the total history of aquifer storage, as many as 6 to 8 facilities have been abandoned out of the total of 55 built in the U.S. One could wonder why anyone would consider such a financially and environmentally risky venture? The answer is that for states like Ill. there is no other way. They have extremely cold winters and almost no gas supply of their own. The old wells they draw on in La. are depleting and cannot meet the peak usage. K-5

- map 23 states, no storage any kind.

- remainder 1/5 aq.

- Walter recommends that a project of this nature should not only be unpopulated in itself, but, if possible, should be away from any population. K-6

- this is in agreement with Dr. Katz's recommendations. In his conclusions he explains that aquifer storage was developed in the Mid-West because no other choices existed. He states that it is question-

able as to whether or not aquifer storage can be developed at today's prices for base gas.

- on the subject of base gas, John Thrasher of B.C. Gas is prepared to deal with base gas ratios of as high as 8 to 1. In reality, 3 to 1 is an accepted cut off point for feasibility of the facility. Walter K. also told me of problems related to depth. B.C. Gas proposed depth is between 1500 to 4000' for storage. Walter said at this depth they have had problems with formation of carbonic acid, which eats pipelines. They now remove CO2 from their fields prior to injection, which is a costly process, one of which I am sure B.C. Gas is unaware of. Other costs which crop up more often than not are for desulfurization operations and dehumidification operations.

- I talked with Harvey Stockton, an engineer at the Herscher Ill. facility. He told me how their vent gas was handled. Exp. I asked if this ever created a problem with domestic water. He said over the years they had turned quite a few wells sour in the area but that they had recently reduced the pressure in their field and improved some of the wells. He said they still have 38 farm wells that they routinely sniff for gas and several 'hot' wells in the village of Herscher as well.

PAGE 569 copy

" 570 "
" 571 "
" 574 " -discuss gas migration
" 585 "
" 586 "
" 578 "
" 589 "

- gas migration is such a common problem that radioactive markers are now used in storage gas to identify ownership.

- covered O & G company as well as B.C. Gas

- also covered the issue of gas migration

- well the problem of gas migration is a common problem in the industry.
(the problem of gas migration is a common problem in the industry.)

- 40

August 29, 1990

Mr. Howard Griffith
Texas Gas Transmission Corporation
300 Fredrica
P.O. Box 1160
Owensboro, Kentucky, 42301

Dear Mr. Griffith:

Thank you, Howard, for calling and informing me about Mr. Glen Breaks distributing a document that included two pages of quotations attributed to me. I received the two pages in the mail shortly thereafter and feel obligated to address and correct these quotations.

Before I do this, I wish to tell you my relationship with Mr. Breaks. He first called me about three months ago and told me Mr. Tom Bahumian referred me to him. He asked for information on gas storage and more specifically aquifer gas storage. I was very generous and sent him the paper I wrote on Aquifer Storage Development in 1983 and later revised in 1988. This paper is to be included in the AGA (GEOG) publication on Underground Gas Storage. This paper has not yet been made public and was considered a private report. I did not give Mr. Breaks permission to use this paper in any public manner. I believe Mr. Breaks has taken advantage of my generosity to inform him on gas storage by giving this paper to the Commission and has mischaracterized its content.

I also never made any quotes Mr. Breaks has attributed to me as saying or discussing with him. I never said my company abandoned two facilities due to high leakage because this never has happened. He asked me about the Brookville project which he said was mentioned by Dr. L.D.L. Katz in his new book. I told him within three months leakage was discovered from one aquifer to an overlying aquifer at a very low rate of gas transfer (about 0.3 MMCFD). The gas was being confined in the overlying aquifer. Because the rate of development would be too slow with a recycling system this facility was abandoned for economic reasons.

I deny ever stating that many companies wished they never had developed aquifer storage because of high leakage. I never even discussed this subject. Nor did I tell Mr. Breaks it took three to four years of actual operations or until full pressure and full volume and thereby full investment is reached before you know if the field will be successful. This statement by Mr. Breaks is wrong.

I also wish to elaborate on Mr. Breaks statement that 6 to 8 facilities have been abandoned out of 55 built. This appears to have been taken from my conclusions, page 15 of my report. Of the abandoned facilities I know of, only three were abandoned due to vertical gas leakage of which two were detected in the first three months of injection. The other abandoned

-2-

facilities were not due to any excessive leakage but poor rate of development and economic expectations. In fact, there are at least five (5) aquifer storage facilities that have gas leakage from one aquifer to an overlying aquifer because of a less than ideal caprock and yet remain operational by recycling the gas from both aquifers and are considered successful. Herscher has been one of those facilities. In fact, at present the leakage has been totally shut off. A remarkable feat.

I have never recommended or indicated to Mr. Breaks that aquifer storage or any other type storage facility should be away from any population. Almost all storage facilities "the gas bubble" underlie a small village, town or farmhouses. Some urbanization has taken place many years after the storage facility became operational. I did inform Mr. Breaks on this, citing the paper presented by Richard M. Morrow at the 1988 AGA Transmission Conference in Toronto, Ontario, Canada, May 16-18, 1988. His paper entitled "Operating Gas Storage Fields in Urban Environments" indicates how Southern California Gas Company safely operates and manages their storage facilities. I sent him this paper.

The only discussion I had with Mr. Breaks relative to the removal of CO₂ from the injected pipeline gas in storage was that it was a precautionary move to prevent possible corrosion in the gathering system. We remove CO₂ at our field storage facilities located in Oklahoma and Texas. They are depleted gas storage reservoirs and not aquifers. They are at average depths of 2650 and 6860 feet. We have no such facilities in any of our aquifer storage facilities. I never said CO₂ extraction was costly or not because I never discussed this with Mr. Breaks. Neither did I discuss other costs of desulphurization or dehydration plant operations. I was never told the British Columbia storage depth might be between 1,500 and 4,000 feet and never said these depths were prone to problems.

My report clearly states on page 15 that in spite of early problems and difficulties at Herscher it is a very successful storage facility which began on April 1, 1953. Although I have not elaborated on about five other aquifer storage reservoirs that also encountered some difficulties requiring gas recycling, they too are operating effectively. I should also add storage technology has improved by leaps and bounds since 1953. Today the fifty (50) operating storage facilities in aquifers are very important to our nation's storage industry.

I at no time conveyed a negative approach to aquifer gas storage development to Mr. Breaks in my telephone conversations with him. He never informed me he had filed my report to the Commission nor that he quoted me to the same. I would not have given him permission or agreed with him. He also did not make me aware of any of the details of the proposal for underground natural gas storage in the Fraser Valley.

I would like to state that I have been very much for aquifer gas storage and feel proud in helping making it a successful industry.

Respectfully,

Walter M. Rzepczynski
Walter Rzepczynski
Sr. Reservoir Analyst

TXG ENGINEERING, INC.



HOWARD D. GRIFFITH
President

August 29, 1990
FAX 604 631 3100

Mr. C. B. Johnson, Esquire
Russell & Dumoulin
885 West Georgia
Vancouver, British Columbia
Canada, V6C 3H7

Dear Mr. Johnson:

The Fraser Valley Gas Project

Attached is a copy of a letter written to me in response to your letter of August 15, 1990, written to Mr. Walter Rzepczynski. Mr. Rzepczynski's attorney advised him to write the letter to me.

I have talked with Walter today and he had given me permission to use the letter any way necessary to clarify his statements. Please feel free to give a copy of the letter to the commission if you would like.

If you have questions, please give me a call.

Sincerely,

HDG:ns
Attachment

c: Mr. Robert M. Stepan

3800 Frederica Street • P.O. Box 1160 • Owensboro, KY 42302 U.S.A.
Telephone 502/926-8686 • FAX 502/686-8631

AUG 29 '90 13:05

PAGE.002

MACADAMS LAW FIRM

PLEASE NOTE NEW ADDRESS EFFECTIVE JUNE 11, 1990

DOUGLAS MACADAMS
BARRISTER AND SOLICITOR

205 GLADWIN CENTRE II
2975 GLADWIN ROAD
ABBOTSFORD, B.C.
CANADA V2S 6W8

OUR FILE # 525-4
YOUR FILE #

TELEPHONE: (604) 850-1675
TELECOPIER: (604) 850-1937

September 7, 1990

DELIVERED BY:

Courier

Mrs. Gina Breaks,
157 248th Street, R.R. #10,
Aldergrove, British Columbia, V0X 1A0

Dear Mrs. Breaks,

RE: *Amendment to Statutory Declarations*

In our correspondence of September 6, 1990, we in error included only 3 of the 4 pages of the Friends of the Fraser Valley News Release in our enclosure, and in error in line 4 of paragraph 2 of Statutory Declaration #1 and in line 4 of paragraph 2 of Statutory Declaration #2 referred to that document as being "...the three page document...." when of course it is a four page document.

Could you please be sure that the statutory declaration you do swear is corrected in paragraph 2 (a handwritten correction will do), and could you please ensure the News Release attached as Exhibit A to your Statutory Declaration contains all four pages. Two copies of page 4 are enclosed to assist you in this.

Yours sincerely,

MACADAMS LAW FIRM

Per:


Douglas MacAdams

enclose: two copies of page 4 of News Release

copy: Commission files, C.B. Johnson, Walter Rzepczynski

DM/lr/525-4/mmlt907a.doc

We sent you a letter dated the 8th of August 1990, directing your attention to a number of issues raised in the public meetings but not scheduled to be dealt with in the technical hearings. The issues covered such topics as real estate values, insurability, air quality and health concerns. These issues have been ignored and do not form a part of these proceedings.

During our initial conversations with you we were assured that you would accept information from all sources, even anonymous telephone calls. Although our industry contacts in the United States have been silenced, we were able to find a lay person from outside the industry with very relevant information and experience. However, we were informed by Commission counsel that evidence could be given by this person on one particular topic only, made subject to obligatory cross examination by industry counsel, and that all other information that this person would be able to give would be repetitive and would be better dealt with by other witnesses. This is an extraordinary statement when one has observed the well-rehearsed, note-perfect and virtually identical renditions of the singular Mr. Ball, and Messrs. Tek, Griffeth and Thrasher.

Mr. Anderson, we will no longer acquiesce in nor condone this bizarre process you call a Commission of Enquiry which has taken on the appearance of a well planned whitewash. It has the apparent intention of deceiving the general public into believing that a full and proper inquiry has been made into a dangerous and unprecedented proposal, which can only be implemented at the expense of public safety, groundwater, agricultural land and lifestyle in the Fraser Valley. We have so far taken part in this Commission in good faith, relying on your assurances of fair play, but the reality is so far removed from those assurances that we will no longer play any role in your farce.

We invite members of the public present at this hearing to join us in boycotting this and all future meetings of this Commission as a sign of our determination not be a party to this whitewash.

Friends of the Fraser Valley, (A non-political group of concerned citizens)

260 - 256th Street, Aldergrove, B.C. V0X 1A0

APPENDIX 3

**LETTER FROM
COMMISSION COUNSEL
TO
MRS. GINA BREAKS**

13 SEPTEMBER 1990

MACADAMS LAW FIRM

PLEASE NOTE NEW ADDRESS EFFECTIVE JUNE 11, 1990

DOUGLAS MACADAMS
BARRISTER AND SOLICITOR

205 GLADWIN CENTRE II
2975 GLADWIN ROAD
ABBOTSFORD, B.C.
CANADA V2S 6W8

OUR FILE # 525-4
YOUR FILE #

TELEPHONE: (604) 850-1675
TELECOPIER: (604) 850-1937

September 13, 1990

DELIVERED BY:

Hand Delivery

Mrs. Gina Breaks,
157 248th Street, R.R. #10,
Aldergrove, British Columbia, V0X 1A0

Dear Mrs. Breaks,

RE: *Request of September 6, 1990*

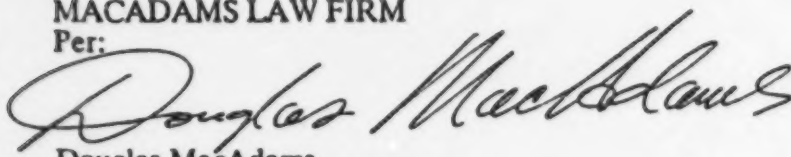
We refer to our letter of September 6, 1990 supplemented by our letter of September 7, 1990 requesting information arising out of the Friends of the Fraser Valley News Release of September 4, 1990 and out of your unsworn statement made at the Commission's evening hearing of September 4.

No response to the request for information has come to our attention. Please advise whether or not you will be responding by way of statutory declaration as suggested in our letters of September 6 and 7, and if so, please advise as to when we should anticipate receiving your statutory declaration.

Yours sincerely,

MACADAMS LAW FIRM

Per:



Douglas MacAdams

enclose: none

copy: Commission files

DM/lr/525-4/mmlt912A.DOC



APPENDIX 4

**LETTER FROM
COMMISSION COUNSEL
TO THE ATTENTION OF
MR. AL VICKERS, CHAIRMAN
THE FRIENDS OF THE FRASER VALLEY**

14 SEPTEMBER 1990

MACADAMS LAW FIRM

DOUGLAS MACADAMS
BARRISTER AND SOLICITOR

OUR FILE # 525-4
YOUR FILE #

205 GLADWIN CENTRE II
2975 GLADWIN ROAD
ABBOTSFORD, B.C.
CANADA V2S 6W8

TELEPHONE: (604) 850-1675
TELECOPIER: (604) 850-1937

September 14, 1990

DELIVERED BY:

Process Server

Friends of the Fraser Valley,
260-256th Street,
Aldergrove, British Columbia V0X 1A0

Attention: Al Vickers, Chair

Dear Ladies and Gentlemen:

RE: Information for Commission on Fraser Valley Petroleum Exploration

As you no doubt have heard from Mrs. Gina Breaks, we have by way of our letters of September 6, 1990, September 7, 1990 and September 13, 1990 requested her to provide information concerning the allegation made in the Friends of the Fraser Valley News Release dated September 4, 1990 that:

"...our industry contacts in the United States have been silenced..."

without, however, our having received a response to date.

We have now received the transcript of Mrs. Breaks' statement made at the outset of the Commission's evening technical hearing of September 4, 1990, and note that the words quoted earlier in this letter form part of that transcript, as do these words which also appear at page 2 of the September 4, 1990 News Release:

"...we were able to make significant inquiries in Illinois, Washington, Michigan and Wyoming, but persons within the industry in those areas who talked to us or suggested further lines of investigation, have been contacted by the proponents and pressured and embarrassed into withdrawing their support."

MACADAMS LAW FIRM

Friends of the Fraser Valley

Page 2

September 14, 1990

We have also reviewed in the Chilliwack Progress of September 12, 1990 the report of a September 11, 1990 meeting in Yarrow which report was printed under the headline "Anti-gas lobby charges bias on study panel" and in particular these words in that report:

"Friends member Al Vickers charged last week that an individual from a gas consortium seeking the go-ahead for drilling in the Valley "leaned on" witnesses not to testify at the hearings."

As you will understand, charges that witnesses with information useful to the Commission have been made unavailable by the actions of the proponents or persons associated with the proponents are of great concern to the Commission.

Our instructions from David Anderson, the Commissioner, are to investigate the charges made by Mrs. Breaks and by Friends of the Fraser Valley, and the charges attributed to you in the Chilliwack Progress.

Our present request to you, in your personal capacity and in your capacity as chair for Friends of the Fraser Valley, is that you provide sworn information as to the following:

- a) the names of the industry contacts in the United States you understand to have been silenced;
- b) the person or persons in Illinois you understand have been pressured and embarrassed into withdrawing support;
- c) the person or persons in Washington you understand have been pressured and embarrassed into withdrawing support;
- d) the person or persons in Michigan you understand have been pressured and embarrassed into withdrawing support;
- e) the person or persons in Wyoming you understand have been pressured and embarrassed into withdrawing support;
- f) the name of the individual you understand "leaned on" witnesses not to testify at hearings of the Commission;
- g) the names of the witnesses you understand were "leaned on" not to testify at hearings of the Commission.

MACADAMS LAW FIRM

Friends of the Fraser Valley
Page 3
September 14, 1990

You may present that sworn information by way of statutory declaration or at a hearing as you prefer. We will of course assist in preparing the necessary statutory declaration if you will supply us the information to be included in the document. If you prefer to give your evidence at a hearing, please let us know so we can make the necessary arrangements. If you wish to have a preparatory session prior to the hearing, we will be pleased to arrange for one.

You will appreciate that without the information requested of you, the Commission cannot complete the further investigations which are called for by these most serious allegations which have been made in the name of Friends of the Fraser Valley and by Mrs. Breaks and which have been attributed to you personally.

May we hear from you early in the week of September 17, 1990.

MACADAMS LAW FIRM

Per:


Douglas MacAdams

enclose: none

copy: Commission files, Mrs. Gina Breaks, C. B. Johnson

bring forward: none

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APPENDIX 5

**LETTER FROM
COMMISSION COUNSEL
TO THE ATTENTION OF
MR. AL VICKERS, CHAIRMAN
THE FRIENDS OF THE FRASER VALLEY**

24 SEPTEMBER 1990



MACADAMS LAW FIRM

DOUGLAS MACADAMS
BARRISTER AND SOLICITOR

205 GLADWIN CENTRE II
2975 GLADWIN ROAD
ABBOTSFORD, B.C.
CANADA V2S 6W8

OUR FILE # 525-4
YOUR FILE #

TELEPHONE: (604) 850-1675
TELECOPIER: (604) 850-1937

September 24, 1990

DELIVERED BY:

Hand Delivery

Friends of the Fraser Valley,
260 - 256th Street,
Aldergrove, British Columbia V0X 1A0

Attention: Al Vickers, Chair

Dear Ladies and Gentlemen:

RE: *Authenticity of purported press release*

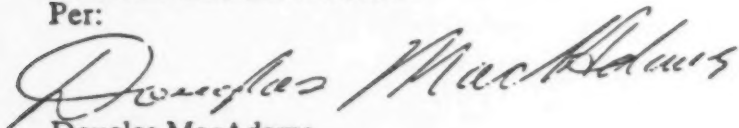
Enclosed is copy of a two page document which is purportedly a press release from Friends of the Fraser Valley. This document arrived by fax in the Victoria office of the Commission on Fraser Valley Petroleum Exploration this afternoon September 24, 1990, apparently issued from the offices of Trident Installations, having fax number 530-3100.

The contents of this unsigned document, which is not on letterhead, raise questions as to the document's authenticity.

As chair of Friends of the Fraser Valley we would appreciate your confirmation that this document has in fact been issued by your organization, Friends of the Fraser Valley, and that it does reflect its views.

MACADAMS LAW FIRM

Per:



Douglas MacAdams

enclose: two page press release

copy: Commission files, C. B. Johnson

bring forward: none

DM/lr/525-4/mmlt924a.doc

FRIENDS OF THE FRASER VALLEY

PRESS RELEASE

September 24, 1990

356
974

Re: **Mr. Anderson press release September 21, 1990 /**
Commission on Fraser Valley Petroleum Exploration.

Subject: SILENCING OF POTENTIAL WITNESSES.

The Friends of the Fraser Valley co-operated in good faith with the Anderson Commission on Fraser Valley Petroleum Exploration. After attending more than twenty sessions of hearings, the Friends came to the unanimous opinion that the public was being deceived by the operations of the Commission into believing that a proper inquiry was being made and hundreds of our members walked out of the Commission hearings never to return. Mr. Anderson and his Commission had lost all credibility and the Friends of the Fraser Valley were bitterly disappointed in him.

Since then, Mr. Anderson has seen fit to send process servers to the homes of Friends of the Fraser Valley, frightening their children and embarrassing and harassing their families. We are not criminals but ordinary law-abiding people with legitimate concerns, trying to protect our homes and livelihoods from the greed of the international petroleum companies. We are not afraid of Mr. Anderson, nor of his threats and bullying letters, even when they are delivered to our doors by his minions. We will not be intimidated but will continue to fight this lunatic scheme to pump gas beneath our homes and communities in any proper way we can, for as long as is necessary.

The public can judge for themselves whether the oil and gas companies tampered with our information sources by considering the following facts:

The Friends of the Fraser Valley had great difficulty finding any experts who were not either directly employed by the oil and gas industry or dependent on them for consultation work, as was very apparent at the 'impartial hearings' with the so-called 'independent witnesses' called by Mr. Anderson and his lawyer.

The Friends found one expert, Dr. Donald Katz, the acknowledged leading authority on underground gas storage, whose book contains alarming comment on the dangers of underground gas storage. Sadly, Dr. Katz died shortly after his book was completed in 1989 so he could not be tampered with nor compelled to appear, even by Mr. Anderson.

The Friends did find a one-time student of Dr. Katz' working in Illinois who was prepared to discuss the problems of underground gas storage with us and did so in over two hours of long distance telephone conferences. The Friends were much encouraged by his information and advice and were considering raising the money to bring him from Illinois to the Fraser Valley to appear at the Commission hearings.

His name and the nature of his information was given to the British Columbia Utilities Commission and was then somehow leaked to the lawyers for the Fraser Valley Gas Project.

The lawyer for B.C. Gas then caused a Mr. Howard Griffith, an employee of Texas Gas in the U.S., to contact our Informant (who is dependent on the gas industry for his livelihood). We do not know what was said between these two but we do know that immediately thereafter during a telephone conversation with us, our Informant, in an embarrassed fashion, withdrew permission for his name to be used. He also wrote a grovelling letter to Mr. Griffith beginning "Thank you Howard....." which the lawyer for B.C. Gas triumphantly filed with the Anderson Commission.

Mr. Griffith of Texas Gas subsequently appeared before the Anderson Commission as an 'Independent' witness, but volunteered no information on this matter, nor was he examined on it by Mr. Anderson or his lawyer. Friends of the Fraser Valley had been advised by the Commission counsel not to publicly discuss these exchanges.

Whether all this constitutes tampering is a matter of opinion. We country folk out in the Valley have a saying which goes something like this:

"If it looks like horse manure and stinks like horse manure, the chances are IT IS horse manure".

APPENDIX 6

**LETTER FROM
COMMISSION COUNSEL
TO
MR. GLEN BREAKS**

26 SEPTEMBER 1990



MACADAMS LAW FIRM

PLEASE NOTE NEW ADDRESS EFFECTIVE JUNE 11, 1990

DOUGLAS MACADAMS
BARRISTER AND SOLICITOR

205 GLADWIN CENTRE II
2975 GLADWIN ROAD
ABBOTSFORD, B.C.
CANADA V2S 6W8

OUR FILE # 525-4
YOUR FILE #

TELEPHONE: (604) 850-1675
TELECOPIER: (604) 850-1937

September 26, 1990

DELIVERED BY: Hand Delivery

Mr. Glen Breaks,
157 248th Street, R.R. #10,
Aldergrove, British Columbia, V0X 1A0

Dear Mr. Breaks,

RE: *Information for Commission of Inquiry*

On September 22, 1990 you were quoted in the Vancouver Sun as saying that a gas company employee in Illinois, who was briefing you on the problems of underground gas storage, was silenced by company officials. Copy of the newspaper article is enclosed.

On September 24, 1990 a two page press release from Friends of the Fraser Valley arrived in the Victoria offices of the Commission. By way of our letter of September 24, 1990 directed to the attention of Al Vickers, we attempted to establish the authenticity of that document. Copy of the document and of our September 24, 1990 letter are enclosed. We see in the Langley Times of September 25, 1990 that Margaret Ormston has confirmed the release is authentic.

From information you provided to the Commission in July and August 1990 we understand a person in the natural gas storage industry in Illinois with whom you have had contact is Walter Rzepczynski of Midcon Corporation in Illinois.

.....2

MACADAMS LAW FIRM

Mr. Glen Breaks,
Page 2
September 26, 1990

The September 24, 1990 press release refers to a person in Illinois who provided information in long distance telephone calls and who subsequently wrote a letter to Howard Griffith of Texas Gas which letter started with the words "Thank you, Howard....", all of which is consistent with reference to Walter Rzepczynski and to his letter of August 29, 1990.

The Commission at this time requests from you an answer under oath to this question:

1. is Walter Rzepczynski the gas company employee in Illinois referred to in the Vancouver Sun of September 22, 1990?

We would also appreciate confirmation of whether or not you have read our letter of September 6, 1990 to your wife, Gina Breaks, and the enclosures to that letter which included:

- (a) letter August 15, 1990 Russell & Dumoulin (C.B. Johnson) to Walter Rzepczynski;
- (b) letter August 29, 1990 Walter Rzepczynski to Howard Griffith.
- (c) letter August 29, 1990 TXG Engineering, Inc. (Howard W. Griffith) to C.B. Johnson;

We look forward to your response to these requests from the Commission.

Yours sincerely,

MACADAMS LAW FIRM

Per:


Douglas MacAdams

enclose: Vancouver Sun article September 22, 1990; purported press release September 24, 1990; letter MacAdams to Vickers September 24, 1990;

copy: Commission files; C.B. Johnson; Walter Rzepczynski

DM/lr/525-4/mmlt923a.doc

Vancouver Sun Saturday September 22, 1990. Gas commission seeks proof of hushed witnesses

The head of a provincial commission on natural-gas drilling and storage in the Fraser Valley wants to know if witnesses were pressured into remaining silent during the three-month inquiry.

Commissioner David Anderson asked for help from the public Friday to substantiate charges made earlier this month by members of

the Friends of the Fraser Valley.

The local residents group said the proposed technique for storing gas underground has caused problems in the U.S. But they said these issues had not been brought before the commission because U.S. gas-company officials told their employees not to talk about the downside of underground storage.

In a press release, Anderson said the commission's own investigation into the complaints reached a dead end. But since the charges are very serious, the commission is asking people who may know something about the alleged conspiracy of silence to come forward.

Glen Brooks, a member of the 600-member citizens group, said a gas-

company employee in Illinois, who was briefing him on the problems of underground gas storage, was silenced by company officials.

"He had a phone call and was made to feel pretty uncomfortable," said Brooks, who lives 1½ kilometres from the centre of the proposed gas-storage site in Langley Township.

APPENDIX 7

**LETTER FROM
MR. GLEN BREAKS
TO
COMMISSIONER DAVID ANDERSON**

18 OCTOBER 1990

157-248th Street
Aldergrove, B. C.
VOX IAC
October 18, 1990

Mr. David Anderson, Commissioner
Commission on Fraser Valley Petroleum Exploration
#105-20611 Fraser Highway
Langley, B. C.
V3A 4G4

Dear Mr. Anderson:

I feel compelled to respond to your statement that people have been unwilling to answer your letters requesting information about possible witness tampering at the recent Fraser Valley Petroleum Commission Technical Hearings.

I personally have never stated that witnesses were tampered with, but that a source of information was pressured into withdrawing his support. After being contacted by one of the consultants who testified for B. C. Gas before the Commission, this person requested that his name no longer be used in connection with this project. This occurrence was first brought to the attention of the Commission on August 18 and then again on August 25, 1990.

At that time three representatives of the Friends of the Fraser Valley met with the Counsel for the Commission and discussed this situation. We were told that nothing could be done about this problem. We were also advised to be very careful as to whom we talked to about it as we would lose credibility by discussion of this event.

To ensure that the Commission would have, not only a verbal account of these facts, but also a written record, a transcript of my public statement made at the Commission's July 11, 1990 public meeting was hand delivered to the Commission's Langley Office on September 4, 1990. I have been informed by the Commission that this meeting was recorded. An addendum to the transcript names the person who contacted our source and tells of the resulting withdrawal of support.

In honoring the request of our source that his name no longer be used in connection with this project, his name was removed from this transcript. However, all you need do is listen to your own recording to hear me name this person.

It is clear that you have had this information in front of you for sometime. For this reason we believe your recent correspondence with myself and two others regarding this situation was not sincere in its intent. This correspondence does not consist of mere letters as you suggest, but is actually in the form of legal documents requiring sworn statements, copies of which are sent to one of the B.C. Gas Lawyers for his approval.

Had you sent an honest, simple letter or telephoned to request assistance in locating information which was already in your possession, I would have been quite willing to be of help in this matter.

Yours truly,

Glenn K. Brash

APPENDIX 8

**OPEN LETTER FROM
MR. AL VICKERS, CHAIRMAN
THE FRIENDS OF THE FRASER VALLEY
TO
COMMISSIONER DAVID ANDERSON**

22 OCTOBER 1990



FRIENDS OF THE FRASER VALLEY

260 -256th Street
Aldergrove, B.C. V0X 1A0

Telephone: 856 -2626

Fax: 530 -3100

AN OPEN LETTER TO DAVID ANDERSON

Delivered at the Re-Opened Hearings of the Oil and Gas Inquiry

October 22, 1990

The Friends of the Fraser Valley have already announced the total collapse of their confidence in you and your Commission. This is the result of the experience of numerous meetings between its members and yourself and your Counsel, on attendance at over twenty meetings of the Commission, and the bias and prejudicial statements made by you and your Counsel, some of which have been reported in the media, and all of which remain undenied by you.

As a result, we announced our decision to boycott your Commission, which still stands.

Since the inception of this Commission, you have been responsible for the following:

1. You deliberately misled us, at the outset, by assuring us that our lack of funds and means to match the limitless resources of the Gas Consortium and its multi-billion dollar backers would not be allowed to weigh against us.
2. You denied us the right to Counsel.
3. You denied us the right to cross-examine witnesses on our own behalf.

4. You compelled our members to make full disclosure of such information as we were able to gather, to the evident advantage of the Gas Consortium, which lost no time in contacting our advisor to our prejudice. It also led to a series of full-page newspaper advertisements full of misleading propaganda from the Gas Consortium, and non-stop "public relations" nonsense from their high-priced hacks in an attempt to subvert our support.

5. You deliberately ignored some fifty-four problem areas raised in our written request of Aug. 8, 1990, for evidence to be heard on such vital considerations as insurance, real estate values and the effect on our lifestyle and the environment of the Consortium's plan. In fact, you did not have the simple good manners to acknowledge receipt of our letter.

6. You had to be shamed, by us, into visiting the major gas storage site on this Continent in Illinois, rather than wasting time and the public's money on trips by you and your staff to Paris, France; Milan, Italy; and England, as you have done. How was the view from the top of the Eiffel Tower? Could you see Langley from up there?

7. When you finally did get to Illinois, we are reliably informed that you demonstrated your boasted "impartiality" by indulging in derogatory personal remarks about one of our members. This alone raises the gravest doubts about your fitness for the position you now hold.

8. In addition, in an interview with you, the 'Delta Optimist' for September 5, 1990 published highly prejudicial statements which clearly demonstrate your bias and pre-judgement of the issues.

9. You have deliberately misled the public and the media in recent weeks by pretending you did not know the name of our principal technical advisor nor that, at the instigation of the Consortium's lawyers, he had been "contacted" by one Howard Griffith, an employee of Texas Gas and a "consultant" to the B.C. Gas Consortium. As a result, this man sent Griffith a letter denying, in abject terms, what he had told us in a series of long-distance phone calls (totalling over two hours in length over a period of days). You have had these names and copies of the correspondence for many weeks but have had the unmitigated gall to pretend otherwise and

attempt to make what you, but not we, called 'tampering with witnesses' and used this as an excuse, for the further waste (according to you) of "tens of thousands of dollars" of the taxpayer's money to "investigate" a phoney 'issue' created by you, and you alone.

10. You have pretended that we attacked the credibility of Government officials from Alberta, British Columbia, etc. when our sole complaint in this regard was directed to the lack of effective cross-examination by your Counsel of the panel of employees of the B.C. Department of the Ministry of Energy, Mines & Petroleum Resources on their admitted ignorance of underground gas storage at the time the drilling rights were sold to the Gas Consortium, and the possibility of complicity between the Ministry and the Consortium in a deliberate attempt to deceive the public and, in particular, the residents of the Fraser Valley, by concealing the true nature of the Consortium's plans.

11. You have harassed a member of the Press who wrote an article raising questions as to the appropriateness of the storage scheme and demanded the names of his sources and copies of any documents in his possession, which is a clear violation of the Canadian Charter of Rights.

12. You then went further and personally harassed that source, thus following the dubious example of the Gas Consortium itself.

As a Commissioner you, we suppose, are some sort of Judge. We have never heard of a Judge indulging in Open-Line Radio interviews or handing out Press Releases, or bombarding the citizenry at large with interminable and tendentious correspondence, never mind in expressing personal views and comments on the parties and issues before him.

Your conduct has become so outrageous that we are driven to the conclusion that this Commission was set up with the sole purpose of diffusing the issue and "keeping the peasants quiet" until after the expected Provincial Election this Fall, 'lest' it become an issue in the election itself.

Since it is now apparent that there can be no election until next Spring, we believe that these very proceedings here tonight have been devised to justify a further delay, to that end.

Mr. Anderson, we have come to the sad conclusion (particularly sad in view of the trust and faith we put in you and your promises at the outset) that you and your Commission are nothing more than tools in the hands of certain unscrupulous politicians and the vested interests who are determined to force this deplorable and unnecessary scheme on us, our homes and our families, for their own greedy ends.

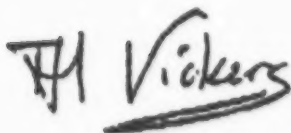
We will not stand for this.

We will not be intimidated by you or anyone else.

We will fight you, and the Gas Consortium and the Ministry of Mines and, if necessary, the Provincial Government itself, every inch of the way.

We demand and will insist on an investigation by the Ombudsman into the activities of you and your Commission, and into the many denials of the principles of Natural Justice to which we have been subjected at your hands.

FRIENDS OF THE FRASER VALLEY
per

A handwritten signature in dark ink, appearing to read "Al Vickers". The signature is stylized, with the first letters of the first and last names being prominent and capitalized.

Al Vickers
Chairman

APPENDIX 9

PRESS RELEASE

FROM

COMMISSIONER DAVID ANDERSON

21 SEPTEMBER 1990



Province of
British Columbia

Commission on
Fraser Valley
Petroleum Exploration

No. 105, 20611 Fraser Highway
Langley
British Columbia
V3A 4G4
Telephone: (604) 533-0667
Facsimile: (604) 533-5451

PRESS RELEASE

21 September 1990,
Langley, B.C.

David Anderson, Commissioner of the Commission on Fraser Valley Petroleum Exploration, today called on the public to assist in the Commission's investigation of allegations that potential witnesses were pressured into remaining silent.

Anderson said:

At the outset of the Commission's 4 September 1990 technical hearing at the Langley Conference Centre, a spokesperson for the Friends of the Fraser Valley charged that persons with information relevant to this inquiry were pressured by the Fraser Valley Gas Project consortium, the group proposing exploratory drilling for natural gas in the Valley, into remaining silent. These charges have been repeated in news reports since that date. They have been vigorously denied by the companies involved.

These allegations are extremely serious. If substantiated, it may be necessary to reopen the technical hearings, or to reject part of the testimony already received.

The day following these allegations, Commission staff telephoned a number of possible witnesses who might have had information on this matter. These inquiries have not provided information which might substantiate the charges.

In addition, Commission counsel contacted both the spokesperson for the Friends of the Fraser Valley who first made the allegations, and the Chairman of the group who had repeated them at later meetings and to the press. This contact was made by way of hand delivered letters dated 6 September, 7 September, 13 September and 14 September. To date no replies to these letters have been received.

In the light of the failure of those who have made the charges to provide support for their claims, and the failure of our inquiries elsewhere to shed light on the matter, I must ask any member of the public, and in particular any member of the Friends of the Fraser Valley, who has information which could assist in determining whether there is substance to these allegations, to contact the Commission without delay. The Commission's phone and fax numbers, and address, are above. May I repeat, I view these allegations as a very serious matter.

APPENDIX 10

**LETTER FROM
COMMISSIONER DAVID ANDERSON
TO
INDIVIDUALS
ON THE
COMMISSION'S MAILING LIST**

5 OCTOBER 1990



Province of
British Columbia

Commission on
Fraser Valley
Petroleum Exploration

No. 105, 20611 Fraser Highway
Langley
British Columbia
V3A 4G4
Telephone: (604) 533-0667
Facsimile: (604) 533-5451

**PLEASE NOTE: THIS IS A COPY OF A LETTER BEING SENT
TO EVERYONE ON OUR MAILING LIST, WHICH MAY BE OF
INTEREST TO YOU.**

October 5, 1990

Dear

I have appreciated the interest that you have expressed in the work of the Commission over the last few months.

This letter is to request your help in dealing with a serious problem that the Commission currently faces.

At a session of the technical hearings of the Commission at the Langley Conference Centre on the evening of September 4, the charge was made that possible witnesses had been silenced, and that evidence had been suppressed. The words used were:

...we were able to make significant inquiries in Illinois, Washington, Michigan, and Wyoming, but persons within the industry in those areas who talked to us or who suggested further lines of investigation, have been contacted by the proponents and pressured and embarrassed into withdrawing their support.

and later:

...our industry contacts in the United States have been silenced...

These allegations were immediately and categorically denied by the proponents of exploratory drilling, the Fraser Valley Gas Project group. Since that date the Commission has been attempting to obtain evidence to substantiate these allegations. Four hand delivered letters, the first dated September 6, have been sent to the spokesperson of the Friends of the Fraser Valley who made the statements above, and to the chairperson of the group, who had repeated the allegations. As yet, neither has replied.

These charges are extremely serious. If true, they may require the Commission to reopen the technical hearings to hear further evidence, or to strike from the record testimony that has already been received. It is, therefore, critically important that the Commission obtain whatever evidence may be available on this matter.

Faced with the failure of those who have made the charges to support the allegations that they have made, I issued a news release to the press asking members of the public to give what evidence that they may have; however, as you may not have seen the press stories to that effect, I am writing to you directly to ask for your assistance.

My request is not only with regard to the possible witnesses in Wyoming, Michigan, Illinois, and Washington. Even though the allegations quoted above are about persons in those states, and such persons are, naturally, the immediate focus of this investigation, I would be interested in any information of this type that you may have.

If you have any information concerning the silencing of possible witnesses and the suppressing of evidence pertinent to the Commission's work, please get in touch with the Commission by the end of the month at the above address and telephone numbers. On October 31st, after the Langley office closes, please contact the Commission's Victoria office, the address and telephone numbers of which are below.

It is difficult to exaggerate the seriousness of this to the work of the Commission. Since the allegations were made, it has not been possible to proceed with the analysis of the material received over the past five months on the risks and benefits of exploratory drilling. It is my hope that with your help the Commission will be able to determine what evidence of possible witness tampering there may be.

May I thank you for your cooperation in this matter.

Yours sincerely,



David Anderson
Commissioner

DA/kes

Commission on Fraser Valley Petroleum Exploration
Suite 413, 645 Fort Street
Victoria, B.C. V8W 1G2
Tel: 356-9742 Fax: 356-9747

APPENDIX 11

**LIST OF
WITNESSES WHO TESTIFIED
AT THE
SPECIAL COMMISSION HEARING**

22 OCTOBER 1990

LIST OF WITNESSES WHO TESTIFIED

AT THE

SPECIAL COMMISSION HEARING

22 OCTOBER 1990

David Fenn	Assistant to the Commissioner, Commission on Fraser Valley Petroleum Exploration
Paul Gronert	Manager, Petroleum Engineering, B. C. Utilities Commission
Emil Morin	Member, Energy Resources Conservation Board of Alberta
John Nichol	Manager, Drilling and Production Department, Energy Resources Conservation Board of Alberta
Robert Spring	Manager, Fraser Valley Gas Project, for Conoco Canada Ltd.
Patrick Lloyd	Senior Vice President, Gas Supply and Services, B. C. Gas Inc.
John Thrasher	Manager, Gas Supply Planning, B. C. Gas Inc.
Wayne Babcock	President, Dynamic Oil Limited

APPENDIX 12

**LIST OF
STATUTORY DECLARATIONS RECEIVED
AT THE
SPECIAL COMMISSION HEARING**

22 OCTOBER 1990

LIST OF STATUTORY DECLARATIONS RECEIVED

AT THE

SPECIAL COMMISSION HEARING

22 OCTOBER 1990

Howard Griffith	President, TXG Engineering Inc.
Walter Rzepczynski	Senior Reservoir Analyst, Natural Gas Pipeline Company of America
Robert Pelzer	Vice President and General Counsel, Conoco Canada Ltd.
Ed Nordquist	Drilling Superintendent, Conoco Canada Ltd.
David Holowachuck	Coordinator, Safety, Regulatory, and Environmental Affairs, Conoco Canada Ltd.
Graham McCredie	Safety/Loss Control Specialist, United Resource Safety Ltd.
Carman Avery	Director, Corporate Communications, B. C. Gas Inc.
Janice Wattis	Corporate Solicitor, B. C. Gas Inc.
Robert Stepan	Gas Supply Planning Engineer, B. C. Gas Inc.
Edward Schellenberg	Manager, External Relations, B. C. Gas Inc.
Karla Mebs	Counsultant to the Fraser Valley Gas Project
Cal Johnson	Counsel for the Fraser Valley Gas Project
Donald Umbach	Vice President, Dynamic Oil Limited
Michael Bardell	Controller and Corporate Secretary, Dynamic Oil Limited
Robert Spring	Manager, Fraser Valley Gas Project, for Conoco Canada Ltd.
Patrick Lloyd	Senior Vice President, Gas Supply and Services, B. C. Gas Inc.
John Thrasher	Manager, Gas Supply Planning, B. C. Gas Inc.
Wayne Babcock	President, Dynamic Oil Limited

APPENDIX 13

**STATUTORY DECLARATION
OF
MR. WALTER RZEPCZYNSKI
RECEIVED AT THE
SPECIAL COMMISSION HEARING**

22 OCTOBER 1990

STATE OF ILLINOIS
COUNTY OF DUPAGE

) IN THE MATTER OF INQUIRY
) ACT RSBC 1979 CHAPTER 198
)
)
)
)

STATUTORY DECLARATION

I, Walter Rzepczynski of 701 East 22nd Street, Lombard, State of Illinois, do solemnly declare that the facts set out in this statutory declaration are true, and I make this solemn declaration conscientiously believing it to be true and knowing that it is of the same legal force and effect as if made under oath.

1. I am a senior reservoir analyst with Natural Gas Pipeline Company of America and have personal knowledge of the matters declared herein save for those matters said to be on information and belief which latter matters I verily believe to be true.

2. In 1953 I was granted a B.Sc. from Michigan State University, and have since 1956 worked in the field of the storage of natural gas. I am a member of the American Gas Association and have served as Chairman of the Underground Natural Gas Storage Committee of the A.G.A. I have published approximately four papers under my name.

3. From 1956 to 1978 Dr. Donald Katz held an annual retainer with my employer. I was called on to work with Dr. Katz in my capacity as an in-house engineer. On one occasion in 1959 I co-authored a paper with him.

4. At no time have I ever placed a telephone call to Glen Breaks. In late May 1990 or in early June 1990 (I cannot be precise), I received a telephone call from a person who introduced himself as Glen Breaks from British Columbia. Prior to this telephone call I had never met with or spoken with Mr. Breaks, nor did I know of him. He asked for information about storage of natural gas, and in particular aquifer storage. I spoke with him because he had told me that Tom Bahumian, of the Federal Energy Regulatory Commission, who I know and respect, had recommended to Mr. Breaks that he call me.

5. I recall having had perhaps as many as five relatively short telephone conversations with Mr. Breaks, who said he was interested in natural gas storage. I did not inquire of Mr. Breaks the reason for his interest in natural gas storage, nor did Mr. Breaks in his initial calls advise me of the reason for his interest. I told Mr. Breaks of books he might consult, of the annual summer course on natural gas storage at the University of Michigan and of the names of some others with experience in natural gas storage with whom he might speak.

6. To assist Mr. Breaks in understanding aquifer storage of natural gas, I sent to him after our first conversation my as yet unpublished paper "Aquifer Storage Development" copy of which is now shown to me and marked Exhibit 1 to this my statutory declaration. I wrote this paper in 1983 and revised it in 1988. When put in final form, it is to be included in an American Gas Association publication on underground gas storage.

7. I told Mr. Breaks that this paper was a draft document. I expected him to understand that I was doing him a favor by sending "Aquifer Storage Development" to him. I expected him to use it to increase his personal understanding of aquifer storage. I did not expect him to make my paper available to others without first asking my permission. If Mr. Breaks had indicated to me he would be copying my paper or distributing it to persons not known to me, I would not have sent him any copy of my paper. Indeed, at one time I understood Mr. Breaks to indicate that a payment might be available were I to give permission for the release of my paper. My response to Mr. Breaks was that I thought it foolish for him or anyone to pay money for my paper given that published textbooks contained the same information in more complete form.

8. Without his telling me directly, I came to understand during our later conversations that Mr. Breaks was opposed to underground storage of natural gas. His questions were directed to describing natural gas storage as a dangerous activity. I did not learn from Mr. Breaks that he was a member of a citizens' group.

9. Without his asking me directly to be a witness at hearings in British Columbia, I understood from Mr. Breaks that he wanted to know if I would be available to be a witness. I told him that under no circumstances would I be a witness in hearings in British Columbia. I had no desire or interest in problems in that province. I was fully employed in Illinois. My being a witness was never a possibility. I did give Mr. Breaks the names of other potential witnesses, most notably Douglas Ball and Bob Means.

10. I made no tape recording of my discussions with Mr. Breaks nor did I give him permission to tape record our conversations. Nor did I make any notes of what he said or of what I said. I do recall, however, that Mr. Breaks did not seem knowledgeable about storage of natural gas, and I remember that he was particularly interested in learning of deficiencies and dangers of natural gas storage. He seemed to me to be obsessed with leakage from natural gas storage reservoirs.

11. I gave Mr. Breaks my frank assessment of natural gas storage from my 35 years experience in the field. In our conversation, reference was made to problems that have arisen in underground storage of natural gas, but I told Mr. Breaks of the advances that have been made in the technology since I first worked in the field, and I told Mr. Breaks that if underground storage of natural gas is carried out to present day standards, underground storage of natural gas is a safe and beneficial way to supply gas to consumers.

12. In our second or third conversation I told Mr. Breaks that underground storage of natural gas could be carried out with complete safety in populated areas, and referred to "Operating Gas Storage Fields in Urban Environments" by Richard M. Morrow, copy of which is marked Exhibit 2 to this my statutory declaration. I advised Mr. Breaks to call Richard Morrow. As best as I can recollect, in late July 1990 I sent a copy of Exhibit 2 to Mr. Breaks.

13. I received a telephone call in August 1990 from Howard Griffith. I have known Howard Griffith for approximately 20 years, and have known him as a respected engineer in the field of storage of natural gas. I have worked with him on committees of the American Gas Association and of the Gas Research Institute. I have never been employed by any company with which Howard Griffith has been associated, nor has any company with which I am associated to my knowledge employed Howard Griffith. I have no reason to fear Howard Griffith nor have I any reason to expect him to be a source of personal advantage to me.

14. Prior to the call from Howard Griffith I heard from Douglas Ball who said he had visited with Mr. Breaks. Mr. Ball requested copies of some American Gas Association papers which I supplied to him. Prior to the call from Howard Griffith I also heard from Gerry Nelson, a consultant, who told me he was working with Howard Griffith on the British Columbia proposal. Mr. Nelson asked for my recollection of a supposed evacuation of a community in Illinois by reason of a failure in a natural gas storage facility. I told Mr. Nelson I knew of no such event. Other than the calls from Mr. Breaks, Mr. Ball and Mr. Nelson, prior to the call from Howard Griffith I received no calls from anyone concerning the British Columbia proposal. In particular, I received no calls from anyone connected with those proposing that natural gas storage go ahead in British Columbia.

15. The telephone call from Howard Griffith came as a surprise to me. Mr. Griffith told me he was calling to advise me of a document which he told me was being distributed by Mr. Breaks and which mentioned me as the source of information about underground storage of natural gas. Mr. Griffith asked me if I had in fact provided to Mr. Breaks the information attributed to me.

16. I advised Howard Griffith of the truth of the matter which is that I had not provided to Mr. Breaks the information which Mr. Griffith told me Mr. Breaks was attributing to me. I was concerned and upset about what was apparently being attributed to me. I was particularly upset that my draft paper Exhibit 1 had apparently been given to a Commission in British Columbia. I was concerned with what Mr. Griffith told me because I could not understand how the statements being attributed to me could be taken from my draft paper Exhibit 1. Howard Griffith offered to let me talk to attorneys in Vancouver, British Columbia. I declined to do this, and asked to see the documents Howard Griffith had referred to as setting out what Mr. Breaks apparently was attributing to me.

17. On the same day or the day after I received the telephone call from Howard Griffith but before receiving the material Mr. Griffith had referred to I received a call from Glen Breaks. I told Mr. Breaks that Howard Griffith had called me, that Howard Griffith said a copy of my paper Exhibit 1 had been distributed, and that Howard Griffith had said Mr. Breaks had been attributing certain statements to me. I told Mr. Breaks that I did not yet have all the facts, but I did ask Mr. Breaks why he gave my paper to a Commission. Mr. Breaks made no response. I did not press for a response at that time because I did not yet have all the facts.

18. Now shown to me and marked Exhibit 3 is the letter of August 15, 1990 which arrived by fax from Russell & Dumoulin, on August 15, 1990. Exhibit 3 includes the two pages of information which I was told in the letter was being attributed to me by Mr. Breaks.

18. I read in Exhibit 3 the reference to Exhibit 1, my draft paper "Aquifer Storage Development", and to its having been given to a Commission in British Columbia. I felt Mr. Breaks in making my draft paper public without my permission had taken advantage of my generosity.

19. I was surprised and angry about the information in Exhibit 3. It was clear to me Mr. Breaks had misunderstood or had chosen to mischaracterize what I had told him. I was concerned about the inaccurate information contained in Exhibit 3. I could not understand how Mr. Breaks could write such words based on my conversations with him. Nor could I understand how he could write such words based on my paper Exhibit 1, the contents of which Mr. Breaks at no time discussed with me.

20. I wanted to set the record straight. I considered the matter to be so serious that I asked for the assistance of Neil Maloney, who is an attorney with Natural Gas Pipeline Company of America. I asked for Mr. Maloney's help because I felt I was being badly treated by Mr. Breaks and I wanted to do the right thing to set the record straight. Neither before nor after I consulted with Mr. Maloney have I felt my job or my position with Natural Gas Pipeline Company of America to be in any danger.

21. I wrote the letter dated August 29, 1990 and addressed to Howard Griffith, which letter is now shown to me and marked Exhibit 4 to this my statutory declaration. I wrote that letter on my own. I wrote it with great care. Except for some minor improvements and corrections suggested by Mr. Maloney, the whole of the letter was prepared by me. I have reviewed Exhibit 4 several time since writing it. Everything in the letter is true. In the letter I wished particularly to emphasize that my draft paper Exhibit 1 does not indicate any negative comments about aquifer storage of natural gas, and to emphasize that to say otherwise of my draft paper Exhibit 1 or of my views generally is to mischaracterize my paper and my views.

22. No communication received by me prior to my writing my letter Exhibit 4 caused me to change my views about natural gas storage in any way. No communication received by me prior to August 29 caused me to feel under any pressure from those connected with the natural gas storage industry. No communication embarrassed me into changing my views. I have not been silenced by reason of any communication, nor have I felt tampered with by any communication. No communication received by me could be called heavy handed, nor could any communication be called a suppression technique. Nor have I received any communication since August 29, 1990 which has caused me to change my views.

23. I am pleased Howard Griffith called me, and I consider that he did me a favor in calling. He was fair to me and he did the right thing. If he had not called, I might never have learned that Mr. Breaks was misrepresenting my views.

24. I have been embarrassed by what Mr. Breaks has apparently attributed to me. I have been embarrassed because he took advantage of my generosity and honesty and naiveness with him. For his purposes and to his advantage, Mr. Breaks has misrepresented and misconstrued what I have said and written. I have had to ask myself what kind of person is Mr. Breaks that he would take the stature and integrity I have tried to develop in my 35 years in the natural gas storage industry and use it in a wrong manner without telling me what he was doing. Mr. Breaks has not been fair with me and he has not done the right thing by me.

25. It is true that since Mr. Griffith's telephone call to me I have not wished to speak with Mr. Breaks. I do not wish my views to be misrepresented again, and I have been concerned that anything I might say to him could be misrepresented by him.

26. On September 5, 1990, while I was in Scottsdale, Arizona at a meeting of the American Gas Association I received a telephone call from a person who introduced himself as Douglas MacAdams, lawyer for Commissioner David Anderson. Mr. MacAdams advised me that the Commission had been told by those opposing natural gas storage that those in favor of natural gas storage had pressured potential witnesses. Mr. MacAdams asked if I had felt in any way pressured by anyone connected with proposals for British Columbia. I told Mr. MacAdams the truth of the matter which is that no one had pressured me and that as far as I was concerned no one could pressure me into changing my views. I also told Mr. MacAdams that I was most concerned that Mr. Breaks receive my August 29, 1990 letter Exhibit 4.

27. I have reviewed the three page document headed up "July 11, 1990" and in particular the part marked "Addendum August 10, 1990", the four page press release dated September 4, 1990 the 10 page "Technical Submission" and the two page press release dated September 24, 1990 all of which are collectively marked Exhibit 5. Any suggestions in those documents that witnesses or sources of information were pressured into silence out of fear of reprisal or by reason of expected favors cannot and do not refer to me because I have not been pressured.

28. I take considerable and personal exception and offence to the description of my August 29, 1990 letter marked Exhibit 3 as being "a grovelling letter".

29. My present concern is to set the public record straight and to be sure that everyone understands that my views of natural gas storage have been misrepresented by Mr. Breaks. I am concerned as well to be sure that no one misrepresents my views in the future, and that this whole matter of my views and as to whether or not I was pressured by brought to an end.

30. My views of storage of natural gas are accurately reflected in my draft paper "Aquifer Storage Development". If geological conditions are favorable, if proper testing and evaluation is carried out, and if the techniques which have been developed over the past 35 years are properly and carefully applied, aquifer storage of natural gas can provide a safe and beneficial means of supplying gas to consumers.

Declared before me in the
State of Illinois this
8th day of October, 1990

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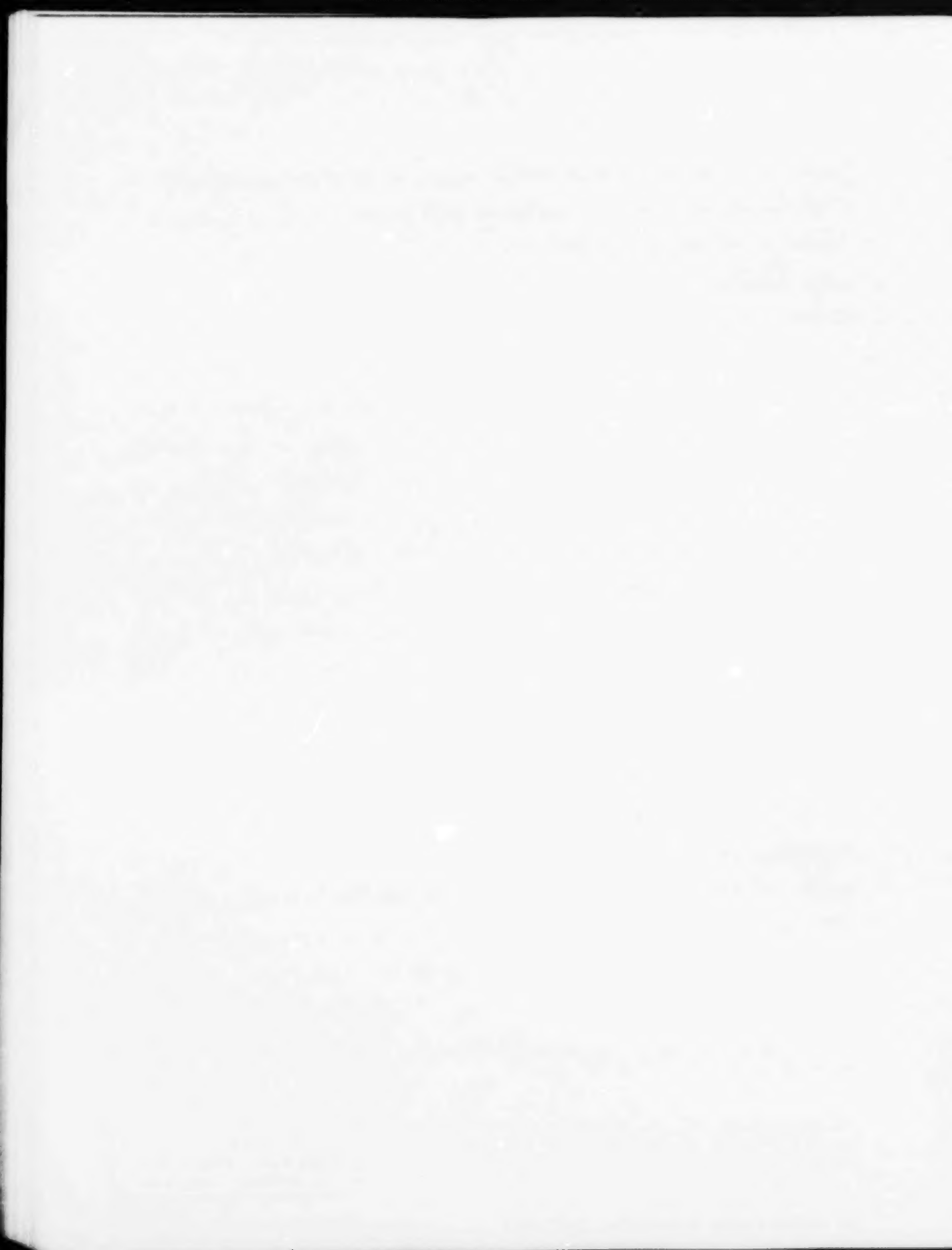
Walter M. Rzepczynski
Walter Rzepczynski

GIVEN UNDER MY HAND AND SEAL OF OFFICE,
this 8th day of October, 1990.

Cynthia L. Rivera
Notary Public in and for Petersburg
County, DuPage



My commission expires 1/7/91



APPENDIX 14

**STATUTORY DECLARATION
OF
MR. HOWARD D. GRIFFITH
RECEIVED AT THE
SPECIAL COMMISSION HEARING
22 OCTOBER 1990**

COMMONWEALTH OF KENTUCKY)

)

)

)

COUNTY OF DAVIESS)

IN THE MATTER OF

INQUIRY ACT

RSBC 1979 CHAPTER 198

STATUTORY DECLARATION

I, Howard D. Griffith of 3800 Frederica Street, Owensboro, Kentucky, do solemnly declare that the facts set out in this statutory declaration are true, and I make this solemn declaration conscientiously believing it to be true and knowing that it is of the same legal force and effect as if made under oath.

- 1) I am President of TXG Engineering, Inc., and have personal knowledge of the matters set out in this statutory declaration save for those matters said to be on information and belief which latter matters I verily believe to be true.
- 2) TXG Engineering, Inc., under my direction, is providing consulting services to BC Gas Inc., a partner in The Fraser Valley Gas Project, a consortium of BC Gas, Inc., Conoco Canada Ltd., and Dynamic Oil Ltd. In August 1990, I traveled to Vancouver British Columbia to provide advice to BC Gas Inc., and to prepare my evidence to the Commission on Fraser Valley Petroleum Exploration.

- 3) On or about August 2, 1990, I received from representatives of The Fraser Valley Gas Project and its counsel Calvin B. Johnson, two pages of typewritten text, copy of which is marked Exhibit "1" to this my statutory declaration.
- 4) I understood from Mr. Johnson and others that Exhibit "1" was a document prepared by and distributed by Glen Breaks of Friends of The Fraser Valley, a citizens' group opposed to the proposals of The Fraser Valley Gas Project. Mr. Johnson and others asked me if I knew Walter Rzepczynski, referred to in Exhibit "1" as "Repcinsky." I was further asked if the statements and views attributed to Mr. Rzepczynski were consistent with my understanding of statements he had made and views he had expressed in the past.
- 5) The statements and views attributed to Mr. Rzepczynski in Exhibit "1" were not consistent with statements and views I had heard Mr. Rzepczynski express in the 23 years I have known him. I was concerned that Mr. Rzepczynski's views were being misstated, and I was further concerned that Mr. Rzepczynski might not have known of the views and statements being attributed to him. With the agreement of

representatives of The Fraser Valley Gas Project and Mr. Johnson, I telephoned Walter Rzepczynski on August 13, 1990 from the offices of BC Gas. My purpose in placing the call was to ensure Mr. Rzepczynski knew of the statements and views being attributed to him.

- 6) In my conversation with Mr. Rzepczynski which lasted approximately 15 minutes, I summarized the contents of Exhibit "1". I advised him of my understanding that Glen Breaks was attributing the contents of Exhibit "1" to Mr. Rzepczynski. I remarked to him that I did not think Exhibit "1" expressed his views as I had come to know them. I asked him if he had heard that Mr. Breaks was attributing to him the contents of Exhibit "1".
- 7) Mr. Rzepczynski advised me that Exhibit "1" did not reflect accurately his views or that which he had told Mr. Breaks. Mr. Rzepczynski indicated he had been receiving calls from Mr. Breaks; that Mr. Rzepczynski had advised Mr. Breaks that he, Mr. Rzepczynski, was not in the consulting business, knew nothing of the proposal in the Fraser Valley, and would not testify. Mr. Rzepczynski added he had given Mr. Breaks the names of Douglas Ball

and Bob Means as persons who could be witnesses. Mr. Rzepczynski declined to enter into discussion by speaker phone with representatives of The Fraser Valley Gas Project and Mr. Johnson who were in the room with me. I understood from Mr. Rzepczynski that he had no wish to become involved further with a proposal with which he had no connection; he did however ask for a copy of Exhibit "1".

- 8) I know Walter Rzepczynski to be a long-term employee of Natural Gas Pipeline Company of America. I consider him to be an active and respected geologist in the field of natural gas storage and I have worked with him as a member of or as chairman of industry committees, of which I am or have been a member.
- 9) At no time either prior or since my placing the August 13, 1990 call to Walter Rzepczynski have I or any company by which I was employed done, to my knowledge, any work for Mr. Rzepczynski or any company which had employed him. Nor on August 13, 1990, did I have any expectation of working for or of retaining Walter Rzepczynski. Mr. Rzepczynski at no time has been dependent on me or any company with which I am associated. Neither I nor any

Statutory Declaration: Howard D. Griffith
Page 5

company with which I am associated is in a position to affect either favorably or adversely Mr. Rzepczynski's professional position. At no time on August 13, 1990 and at no time since have I made any suggestion to Mr. Rzepczynski or to anyone else that I could influence his professional life in any way.

- 10) I am informed by Calvin B. Johnson and verily believe he sent to Walter Rzepczynski the letter dated August 15, 1990, now shown to me and marked Exhibit "2" to this my statutory declaration. On August 29, 1990, I received Exhibit "3", being the letter from Walter Rzepczynski addressed to me and dated August 29, 1990. I had no prior notice that Exhibit "3" was being sent to me. I immediately sent Exhibit "3" to Mr. Johnson under cover of my letter of August 29, 1990, now shown to me and marked Exhibit "4".
- 11) Since my telephone call with Mr. Rzepczynski of August 13, 1990, my only communications with him have been receipt of Exhibit "3" and a telephone call from Mr. Rzepczynski on August 29, 1990, asking me if I had received the letter. In that August 29, 1990, call I confirmed I had received

the letter and I learned from Mr. Rzepczynski that Exhibit "3" was directed to me rather than to Mr. Johnson because I was the one who had notified Mr. Rzepczynski of the opinions and statements which were being attributed to him. This was the full extent of our August 29, 1990, conversation.

- 12) Jerry Nelson is an independent consultant who has been retained by my company for projects other than The Fraser Valley Gas proposal. At no time did I request or direct Mr. Nelson to communicate with Mr. Rzepczynski.
- 13) I have reviewed the three page document entitled "July 11, 1990" and in particular the part marked "Addendum August 10, 1990," the four page press release dated September 4, 1990, the 10 pages "Technical Submission" and the two-page press release dated September 4, 1990, copies of which are collectively marked Exhibit "5". In particular, I have reviewed the statements in Exhibit "5" alleging that persons in the natural gas storage industry have been approached by representatives of The Fraser Valley Gas Project and have been pressured, embarrassed, silenced, made to feel uncomfortable, excluded from providing information, subjected to heavy handed suppression techniques or subjected to tampering.

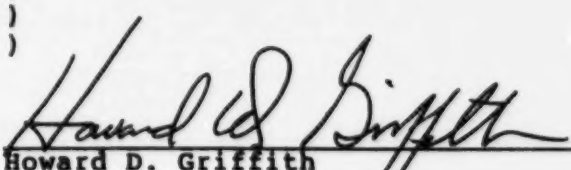
- 14) I note as well the specific reference to me in Exhibit "5" by name and by description. I assume that the references in Exhibit "5" to my actions refer to my August 13, 1990, call to Walter Rzepczynski.
- 15) I was present September 4, 1990 in Langley, British Columbia, when a woman who introduced herself as Gina Breaks made a statement to a hearing of the Commission which statement was based on the News Release dated September 4, 1990 forming part of Exhibit "5". I recall in particular her pointing at me when alleging that persons who had provided information to members of Friends of the Fraser Valley "...have been contacted by the proponents and pressured and embarrassed into withdrawing their support." At the time my clients, their counsel Mr. Johnson, Dr. Rasin Tek, a recognized expert in natural gas storage, Paul Dubois, a geologist with my company, and members of the television and print media were present.
- 16) I categorically and unequivocally deny that I pressured or embarrassed Walter Rzepczynski, or that I silenced him, caused him to feel uncomfortable or subjected him to heavy

Statutory Declaration: Howard D. Griffith
Page 8

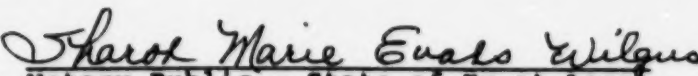
handed pressure tactics or tampering. I further deny that I engaged in such activities in respect of any person or persons in any or all of Illinois, Washington, Michigan, Wyoming, or anywhere else.

- 17) On September 4, 1990, after Gina Breaks had made the statement referred to in Paragraph 15 of this statutory declaration, I gave testimony as part of a panel. In giving my evidence, I was asked no questions by Douglas MacAdams, Commission Counsel, relating to the allegations made by Ms. Breaks, and for that reason made no formal sworn denial of the false allegations made against me. Had questions been asked of me, I would gladly have responded fully. I have no hesitation in providing evidence concerning my communications with Mr. Rzepczynski.

Declared before me
in the Commonwealth of Kentucky
this 11th day of October, 1990

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Howard D. Griffith

Given under my hand and seal of office, this 11th day of October, 1990.


Notary Public - State of Ky-at-Large
My commission expires: 2/21/93